

The NATIONAL UNDERWRITER

Life Insurance Edition



"Everytime I get a copy of an insurance magazine I have an overwhelming desire to answer one of your ads. I held out as long as I can. Here goes!"

(FROM A LETTER IN OUR FILES)

- ❑ Aw shucks! It isn't the ads. It's the facts behind the ads which are so appealing.
- ❑ We know our representatives are prosperous and contented. Why shouldn't they be? Last year our top hundred men (some were women) averaged \$12,645.67 in cash earnings. This year they will earn considerably more.
- ❑ Last year, of all companies with over \$100,000,000 of insurance in force only THREE showed a greater percentage growth in Ordinary than the Franklin. In actual dollar volume of gain we were FIFTEENTH among 463 companies. This year we'll do even better.
- ❑ Those things don't just happen. Exclusive and amazingly salable contracts have something to do with it, and a genuine friendliness which prompted one Franklinite in Missouri to say, "Never was I so happy as I am now."
- ❑ Shucks! Anybody could write good ads with the things we have to tell!



The Friendly
FRANKLIN LIFE INSURANCE COMPANY

CHAS. E. BECKER, PRESIDENT

SPRINGFIELD, ILLINOIS

DISTINGUISHED SERVICE SINCE 1884

One of the 15 Oldest Stock Legal Reserve Life Companies in America

Over \$420,000,000 Insurance in Force.

FRIDAY, NOVEMBER 22, 1946



**Yessir!
78 and
proud of it!**



**Just
put down
I'm over 40!**



Whether it's their age—or their families' insurance—women take a different view of things. But they see insurance your way, if you say it their way, and in women's favorite magazine—

LADIES' HOME

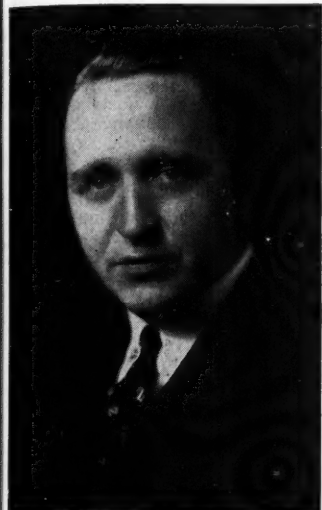
Journal

THE MAGAZINE WOMEN BELIEVE IN

Study Selection Problems That Are War Aftermath

Home Office Life Under- writer Assn. Concludes 3-Day Meeting

CINCINNATI—Meeting for the first time in 2½ years, the Home Office Life Underwriters Association devoted its three-day session to an intensely interesting discussion of the many problems facing the home office underwriter arising as an aftermath of the war. In addition to the general sessions, there were special meetings of the industrial section and the occupational committee,



DR. A. J. ROBINSON

a case clinic, and an informal discussion of numerous underwriting questions.

As a result of a poll of the members taken at the meeting, the association will hold only one meeting a year, in the spring, when the agenda of meetings is not as crowded as it is in the fall. The 1947 meeting will be held in May at New York or vicinity.

Recalls Lessons of Past

Warning that some underwriters have forgotten the lessons in the past on boom lines and speculative business, Dr. A. J. Robinson, vice-president and medical director of Connecticut General, told the group that it is imperative for both direct writing companies and insurers to recognize their mutual responsibility to maintain a proper balance between the understandable pressure for greater volume and a favorable mortality result. While mortality is good with the increased volume of reinsurance, he said that on the other hand, rate making and underwriting are becoming increasingly competitive and action is needed. He discussed the paper of L. J. Kalmbach, vice-president of Lincoln National, which was reported in last week's edition and reached some of the same conclusions.

It is the function of the underwriters of the originating company to assume and retain the responsibility of administering their own underwriting policy.

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REGISTRATIONS EXCEED 275

St. Paul Pension Sessions Cover Extensive Range

ST. PAUL—About 275 representatives of industry, business and insurance from 12 states registered for the pension plan conference here Monday and Tuesday. The attendance exceeded predictions by a good margin. About 200 had been expected. The interest in the proceedings was evidenced by the fact that after a long opening day's session Monday nearly every seat was still occupied when the conference adjourned at 5:15.

The U. S. Chamber announces that later pension trust conferences are planned after the results of the first two at Philadelphia and St. Paul have been weighed. Cities to be selected for future conferences will depend largely upon the interest of local chambers in such events, the announcement added.

In the final address Monday M. F. Lipton, director of group annuities of Equitable Society, discussed the comparative merits of group annuities, trust funds and individual contracts in providing pension funds. His was the opening talk of a four-part discussion of methods of financing a retirement plan.

Those companies which decide on the trustee plan, he said, must specify the type of investment to be purchased and also the mortality table to be used while those that decide on the group annuity plan need only pick the insurance company it prefers. He questioned the flexibility of the trust fund method.

Following the Monday afternoon program a panel discussion was conducted over one of the local radio stations with A. L. Kirkpatrick, manager of the insurance department of the U. S. Chamber of Commerce, as interlocutor. Taking part were Mr. Lipton, H. C. Biegel, tax attorney of Washington; F. B. Cliffe, General Electric Co., New York, and E. B. Gardner, vice-chairman Chase National bank.

J. Cameron Thomson, president, Northwest Bancorporation, Minneapolis, presided at the Monday morning session and John L. Connolly, general counsel, Minnesota Mining & Manufacturing Co., St. Paul, at the afternoon session.

A large number of Twin Cities life insurance men were interested listeners.

INDIVIDUAL PLAN

Francis R. Olsen, general agent of Northwestern Mutual Life, Minneapolis, declared that proponents of the individual policy plan have deep convictions that no other plan will do as good a job under certain circumstances. However, he said he has no quarrel or disagreement with the proponents of the uninsured trustee plan, group annuity, and group permanent when those plans are applied to other circumstances.

The important group from the corporation standpoint is the salaried employees, and particularly those whose earnings are not covered by social security, he declared. In other words, the first and greatest pension need of any corporation is the extension of social security benefits to the employees who are of necessity discriminated against by the social security act.

He contended that the individual policy pension plan applies primarily to, and is without any equal for, this particular group, while it may or may not apply to a broader group.

Social security, he asserted, is worth about 2½ years salary to the average man up to the \$3,000 level. It would be too costly exactly to duplicate such survivorship benefits in extending social se-

curity, but certainly the survivorship benefits should be approached, if not equalled; and it is only in the individual policy plan that this may be done.

To be profitable to a company, a pension plan must encourage retirement. The plan which does not guarantee income for a reasonable period of years after retirement causes the upper bracket employee to resist retirement. The individual policy plan normally does, and should guarantee the income for at least 10 years in the event of death during that period.

The family unit is recognized through the death benefit under the individual policy plan. Most employers say that they feel that, if an employee dies before retirement age, he doesn't do it on purpose and maybe he died early because of extra effort on behalf of the corporation and that, therefore, no part of the funds set aside by the company for his benefit should be recovered as an indirect profit to the company. The death benefit of the individual policy plan means more to the young employee than does the retirement income possibility itself. These employees are having as much difficulty under present tax and living cost conditions in providing protection for their families as they are in building an estate for their own age.

Employees Prefer Guarantees

Impartial surveys have demonstrated that more than 95% of employees earning in excess of \$3,000 would rather have a lesser amount of retirement income with guarantees to their family both after and before retirement than to have greater amounts of retirement income with no such benefits, and the cost to the corporation is precisely the same.

The individual policy pension trust lends itself most readily to amendment or change and has the greatest simplicity of administration. It gives guaranteed costs to the corporation as to all coverage actually purchased and future purchases will be made without regard



FRANCIS R. OLSEN

to the rates of the insurance company previously used. It achieves the greatest appreciation of employees because they understand the institution of life insurance as individual policyholders. Potential outlay for establishing pensions is currently on a more favorable basis under the individual policy method than any other.

Pitt W. Danforth, John Hancock Mutual Life, spoke for the profit sharing retirement plan.

The employer must part with his con-

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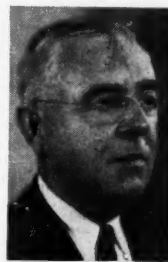
N. Y. State Assn. Hits Bank Moves to Seek \$7,500 Top

Strongly Worded Memor- andum Is Adopted at Meet- ing in Binghamton

By MELVIN A. HORTON

BINGHAMTON—Savings bank life insurance should be kept within the limits of a social measure, as originally designed, or, if it is to compete with legal reserve companies, it should be made subject to insurance law and the regulation of the insurance department, according to a strongly worded memorandum of the New York State Life Underwriters Assn. adopted here at the fall meeting.

The Guertin bill was analyzed by Bruce Shepherd, manager of Life Insurance Assn. of America, who said there



E. R. Gettings



J. S. Myrick

are several factors improving the chance of its passage in New York which were absent last year. Beyond saying that legislators were inclined to hold off passage of a controversial measure in an election year, he did not elaborate on changes in the situation.

Mr. Shepherd devoted particular attention to the provisions which disengage nonforfeiture benefits from the basis used in calculating reserves. One of the objectives of the bill, he said, is to have policyholders who withdraw their insurance come out exactly even on nonforfeiture benefits, neither gaining nor losing.

To Meet Savings Bank Men

Representatives of the association and of the companies were scheduled to meet this week with savings bank people in the hope of reaching an agreement on the issue raised by the movement of savings bank officials to increase the maximum coverage from \$3,000 policies to \$7,500. The view of the association committee, headed E. R. Gettings, Northwestern Mutual general agent in Albany, is that savings bank life insurance was created as social legislation designed to furnish insurance to underprivileged people. This official position, taken by a unanimous vote of state association delegates points out that \$7,500 represents practically no limitation at all since about 95% of the number of sales and 70% of the volume are created by sales within that limit.

"We do not fear legitimate competition," the resolution reads, "but any threat of competition of these proportions should not be permitted on a basis of favoritism or one which is not well

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Underwriters Have Big Share in Planning: McConney

E. M. McConney, president Bankers Life of Iowa, in his talk last week at the annual meeting of the Home Office Life Underwriters Assn., outlined several objectives of a home office underwriter and discussed how they might be carried out.

Mr. McConney said that in risk selection, underwriters must first keep in mind that their plans must be consistent with those of the company. At the same time, they should include some basic principles, such as objectives in regard to standard insurance, substandard insurance, reinsurance and relations with the field force.

In underwriting standard insurance, he remarked that acceptance of risks with too high mortality will increase mortality costs and affect the primary goal of the company. Conversely, declarations without careful study, could cause a lowering of morale in the field force, which again would reflect in costs.

Planning for attainment of objectives involves research, forecasting, planning, and carrying out of the plan, he said.

Research is the fundamental of the life business, he declared. The business is based on assumptions regarding mortality, morbidity and other hazards; on assumptions regarding interest in financial risks and on assumptions regarding future expenses. At the same time the effect on agency forces, policyholders and the public of those assumptions must be kept in mind. These facts must be related to medical knowledge and social customs. They are measured in terms of company standards.

Research data can be used for forecasting, Mr. McConney stated. Almost every problem arising in business demands an element of forecasting, covering selection of risks, future investments, market for new business, etc.

From search and forecast there should emerge a plan which can be successfully carried out. The underwriter is a part of management and as such must supply his share of leadership. He must remember that he deals not with statistics alone but with applicants, medical examiners, inspection forces, agents, clerical forces and others.

Mr. McConney said it is a constant source of amazement to him that hard-headed business people will pour thousands of dollars into insurance companies for a piece of paper which says on it that a life insurance company promises to pay so many dollars for death or retirement. Then these people sleep soundly with supreme confidence that they have been sold the right kind of a policy in the right kind of company.

Therefore, the underwriter's responsibility looms even larger and he must never allow himself to become complacent, he concluded.

Gorman Has Parley with Pa. Legislative Group

Manuel M. Gorman of the U. S. Attorney General's office, addressed a group of about 50 attending a meeting at Harrisburg, Pa., on legislative matters. The group included directors of the Pennsylvania Assn. of Insurance Agents and members of the Pennsylvania industry conference committee. Also attending were executives of a number of Pennsylvania companies, life insurance leaders and members of the legislature and insurance department. Mr. Gorman answered a number of questions from the floor.

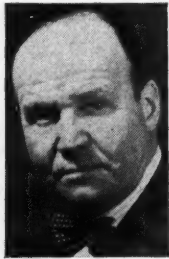
Reprint Bill of Rights

Northwestern National Life has again published the text of the bill of rights in plaque form as an item in its historical series. This was done in order to help further acquaint citizens with that fundamental guaranty of liberties.

Penn Mutual Agency Heads, at Hot Springs, Hold First Full Conference in Five Years



Paul Huttinger



Malcolm Adam



Erle Johnson



John A. Stevenson

A conference of general agents of Penn Mutual Life, with officials from the home office was held this week at Hot Springs, Va. About 180 were present for this first full meeting of the general agents in five years.

Eric G. Johnson, vice-president in charge of agencies, presided and opened the conference with an address on "Our Business Today."

At the first session the chairman was Wallis Boileau, Jr., 2d vice-president, and there were four speakers on "Significant Action in 1946." Allan Gates, Little Rock, told what his agency has been doing toward raising production sights. James M. Royer, Chicago, described his agency ideas and practice in bringing friends into the business. Harry O. Ramussen, Newark, described his agency's use of the company's sales kit. E. P. Connolly, Des Moines, told what is being done about rural development of sales force following the company's recent work in making farm family contacts by advertising and direct mail.

Paul Huttinger Speaks

E. Paul Huttinger, 2d vice-president, who is in charge of training schools, gave the Penn Mutual's attitude on attaining leadership through training, and Weldon T. Hames, Memphis, described the methods of induction training in that agency. William H. Nicholls, Jr., Grand Rapids, told of the methods used for agency expansion through supervision. Paul Jernigan, Wichita, described methods in use in his agency for getting new men into actual production.

One session's program, presided over by Osborne Bethea, New York, was contributed to by Ralph G. Engelsman, New York, and William J. Probst, as-

sistant to the vice-president, who described the company's ideas in selling to management life insurance for pension trusts and salary savings.

Harry E. Wuertenbaecher, St. Louis, was the chairman of the second day's sessions. Malcolm Adam, vice-president, told of plans for the immediate future in a talk entitled "New Models in Life Insurance." John A. Mayer, assistant to president and assistant secretary, announced the numerous plans now in the course of development for the celebration of Penn Mutual's centennial next year. Mary F. Barber, assistant to president, gave a talk on the "Women's Market." Adolph F. Randolph, director of advertising and sales promotion, told of the plans for next year, including both national advertising and direct mail. Joseph H. Reese, Philadelphia, made an address on the policy-making principles of agency management.

Representing the west coast viewpoint Forrest J. Curry, San Francisco, told of the remarkable sales staff development being done by his agency in that city.

Stumes Wednesday Chairman

On Wednesday Charles B. Stumes, Chicago, acted as chairman and the first speaker was Dr. Charles R. Whittlesey, the company's economist, who gave a report on his studies of the economic picture for the next year, following which Kenneth W. Conrey of Pittsburgh led an open discussion on the questions brought up in that connection.

President John A. Stevenson made an address, "From Strength to Strength," illustrating his "report to the trustees in the field" with large charts. Frederick A. Schnell, Los Angeles, led the questions and discussion.

The conference ended with an inspira-

Hobbs Tries to Collect Tax on Military Post Business

Efforts to collect the Kansas 2% premium tax on insurance written on Kansas military reservations during the war by out-of-state companies have been launched by Commissioner Hobbs, who retires from office in January. Backed by an opinion of the state attorney general that although Kansas had ceded land to the federal government for military installations, it had retained the right to tax railroads, bridge companies and corporations, Mr. Hobbs insists that insurance premium taxes be paid. Life companies have refused to pay the tax on the basis that military reservations are government property and not subject to state jurisdiction. Further effort is to be made to collect from those companies, it is reported. Some fire companies, it is understood, have already paid the tax.

Parkinson, Klingman Are Feted

Thomas I. Parkinson, president of Equitable Society, and W. W. Klingman of Dallas, Texas manager, were guests of honor at a dinner at Dallas of 130 bankers and insurance executives. Nathan Adams, chairman, and E. L. Flippen, president of First National Bank of Dallas, were co-hosts.

Utah Insurance Code Revision Work Reviewed

SALT LAKE CITY—At the November meeting of the Utah A. & H. Club, C. N. Ottosen, assistant attorney general, secretary of the interim committee appointed by the 1945 legislature to revise the insurance code, outlined the work of the committee. He told what it hopes to accomplish by way of rearranging the present laws and the introduction of new ones to meet the requirements of public law 15.

The suggestions made at the four public hearings so far held, as far as deemed advisable, will be incorporated into the new code as agreed on by the interim committee. A final report will be made to the governor about Dec. 1, and the proposed insurance code introduced in the 1947 legislature.

Carter Trust Council Speaker

Milton E. Carter of Hopkins, Sutter, Halls, De Wolfe & Owen, Chicago, will speak on "Determination of Fair Market Value of Closely Held Business Interests," followed by a general discussion at the dinner meeting of the Milwaukee Life Insurance Trust Council Nov. 25. S. M. Driessen, Marshall & Isley Bank, council secretary, has requested members to submit questions prior to the meeting.

Debate on Fading of Ball-Point Pen Inks Rages in N. J.

NEW YORK—The question of permanency of the inks used in certain ball-point pens, which was raised some months ago in the life insurance business, has become a hot issue between the state of New Jersey and the makers of five widely known ball-point pens.

The state division of purchase of property advised all state departments not to buy any of these makes of pens on the ground that the inks used were not permanent, an assertion that pen manufacturers were quick to dispute.

C. W. Winchell, acting chief of standardization section of the purchase and property division, identified the pens as Reynolds, Birome, Kimble, Blythe, and Eversharp "CA." He said they used fugitive dye inks which would make them undesirable for record work.

Impermanence Held Corrected

Both the Reynolds and Eversharp companies said this lack of permanency has been corrected in their new pens. Chairman Milton Reynolds of the Reynolds company said that Reynolds pens will last indefinitely on records kept in the average person keeps them and both "old-fashioned" inks and ball-point inks will fade in sunlight but that Reynolds ball-point ink, even after long exposure to sunlight leaves fluorescent traces easily read under ultra-violet light. However, the company has not found an absolutely fast ink and will make a matter of weeks anyone wishing an ink as light-fast as India ink will be able to have it.

Vice-president H. H. Willis of Eversharp said his company about a month ago formally introduced a new permanent ink for use in Eversharp pens and since then all CA pens manufactured have contained this permanent ink.

Additional talk by Vice-president Eric Johnson on the target for next year. Changing concept of life insurance, the part of the public places responsibility on the insurance industry to raise sights regarding standards of performance, Mr. Johnson said.

"We are facing changing concepts of life insurance today," he declared. "Forty-five years ago, the average man owning \$5,000 of life insurance was considered reasonably well insured. Twenty-five years ago, the income idea taken hold. At that time most of us would have agreed that \$10,000 was a respectable amount for a young man. Today, however, we are all looking for new economic horizons and demand for security on the part of the public. The public's concept of the need of and need for life insurance is changing."

"Fifteen years ago we heard a great deal of discussion concerning the saturation point in insurance. At that time there was \$120 billions of insurance in force in America. Today, there is more than \$160 billion—plus \$40 billions in national Service Life Insurance—a total of \$200 billions. In spite of this increasing amount of insurance in force we are in the midst of the greatest swing of business we have experienced in years. Even now life insurance is taking a smaller portion of national income in premiums than in many of the past 20 years.

"Many factors enter into the picture. The living standards of the average man have been considerably raised. Opportunities for security by other means are becoming more and more limited. The public is becoming daily more aware of its need for greater security. All of these call for the setting of new standards of performance on our part and new concepts of public service on the part of the entire industry."

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Weigh Bacteriological and Atom Workers' Hazards

H.O.L.U. Group Voices
Admiration for
Preventive Measures

By GEORGE WOHLGEMUTH

CINCINNATI — A discussion of atomic energy and bacteriological research worker underwriting problems proved to be the high point in the program prepared by the occupational committee of the Home Office Life Underwriters Assn.

W. Nelson Bagley, assistant actuary of Travelers, the chairman, expressed gratification at the large attendance, more than 100 being on hand, stating that this was the first time such a meeting had been held on Saturday.

Other topics evoking much comment were the underwriting of distributors of various devices, vending machines and smoke boxes; legal and illegal gambling house proprietors and employees; night club managers, entertainers and other employees; food storage lockers and cold storage and slaughtering employees, and forestry service smoke jumpers.

While atomic fission plants are known to be extremely hazardous, so far the preventive measures taken have been extremely effective, R. J. Vane, manager of occupational rating of Metropolitan, stated. Radioactivity is the greatest occupational hazard ever met and a few moments exposure to radioactive particles would mean death. There exist also chemical hazards of an unusual nature, but protective measures which the bomb might not have been possible have been developed. The greatest danger is perhaps a momentary relaxation of safeguards over a period of years. Then ill effects might not show up for years. However, all of the biological tests now available are in continual use and procedures would appear to be less hazardous than in the chemical industry generally.

Explosion Danger Remote

Unwarranted fears of a widespread catastrophe exceeding any previously known have been felt, but the danger from an explosion involving the entire plant is remote. There has not been a single serious explosion in the half-dozen plants over the past few years. No one has received damage in the plutonic projects. There have been no injuries involving large numbers of personnel. Precautions have been so effective that a safety authority states 94 lives and 9,200 disabling injuries have been credited to them.

Another speaker said many workers in atomic energy plants are engaged in mechanical duties and are not at all exposed to a radioactive atmosphere. Laboratory workers might prove to be the most hazardous. However, even the physicists are "pushed around" by safety engineers. Rules are observed by the workers. The chief danger is that familiarity may breed contempt over a number of years.

Underwriting of people working at the National Institute of Health engaged in bacteriological research was discussed by a speaker. The work is similar in the hazards involved to the 53 bacteriological laboratories throughout the nation employing from 200 to 4,000. The chief danger is likely to be among those exposed to virus and infectious diseases. Some highly effective vaccines have been developed. Laboratory workers are immunized every six months and every precaution is taken. A speaker commented his company took doctors engaged in bacteriological research at standard rates, but it would not be eager to do so if such research were to be carried out in Africa or the Philippines.

The discussion of cold storage locker workers indicated that it is necessary to determine the type of duties performed. Those exposed to extremely low temperatures for long periods and extreme changes in temperatures should not be granted disability and double indemnity benefits.

No major accidents have occurred among smoke jumpers who are taken to the scene of the fire by plane and parachuted to strategic positions to fight forest fires. The greatest hazard is in the first jump; there is a steady decline in accident frequency up to the seventh, and after the 11th jump, the hazard is the least. The hazard is greatest in the first year, with improvement with lengthening service and the younger and lighter the man, the lower the injury rate. No one is allowed to jump beyond the age of 40 and only men 18-30 are recruited for this work. The maximum weight allowed is 190 pounds. Rating varies from \$2.20 to \$5 per \$1,000.

Pin Ball People Not Nice

A great variety of opinion was evidenced during the discussion on the eligibility of slot machine men, gambling house employees, and night club employees, entertainers and employees, for insurance. A major problem is the determination of whether these people are engaged in legal or illegal activity. State laws are not uniform and there is frequent change in local laws. Because of the nature of the work, and the possibility of forming bad associations, great care must be given in accepting each case. In some localities there is evidence of racketeering even in the juke box industry. Legitimate firms making all types of vending machines may be

manufacturing slot machines, which may or may not be legal.

A study of the distributors of pin ball machines offering no cash prizes showed that a majority have objectionable records and there is suspicion of having association with the criminal element and unacceptable for standard insurance, a member said. There appears to be a decline of racketeering and strong arm methods in the business. His company rates 50% mortality for the best in the group.

Slot machines are sold directly or leased on a commission basis, another member said. It is the last group that is most hazardous, since there is danger of racketeers muscling in on a legitimate enterprise. This type of risk is more acceptable because of the decline in illegitimate activities and the expansion of the business. His company rates distributors from \$2.50 to \$5 per \$1,000. Another speaker commented that his company is largely dependent on the inspection services in checking on distributors of slot machines. In the past, acceptable risks have been rated \$2.50; lately, some have been accepted at standard.

Gambling Emporiums Analyzed

Gangsters have been traditionally connected with gambling, a speaker stated. Shootings and knifings occur regularly. There appear to be two types of gambling establishments, one appealing to the lower income levels and the other appealing to people in more substantial circumstances. The second type is seldom closed up and employees of that type of establishment are often long employed and own their own homes. The average employee of a gambling house earns \$15 a day and is paid every night. Particularly in the cheaper establishments the turnover is high. If a heavy drinker, he is likely to gravitate to these and soon disappears. The telegraph operator receives \$25 a day and the cashier \$20. The latter may be a

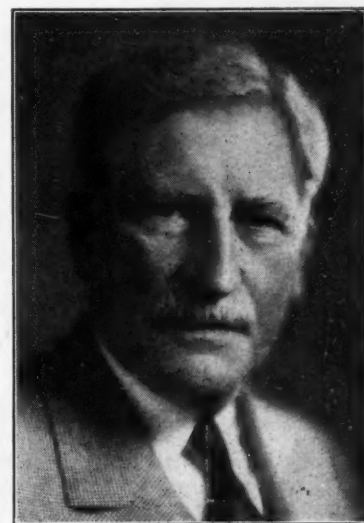
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Missionary Sales Policy Outdated, Arnold Declares

Kurtz Describes

Aptitude Testing on
Final L.I.A.M.A. Day

The period of purely missionary sales operations has long since passed, yet in many cases top management has failed in its responsibility to gear agency forces to write business in depth with greater persistence and quality, O. J. Arnold, president of Northwestern National, declared at the final morning session of the Life Insurance Agency Management Assn. meeting in Chicago.



O. J. ARNOLD

The missionary sales policy feeds upon itself and the more successful it is, the more it will outmode itself, Mr. Arnold said. If it is successful and if growth in sales excels growth in population and saving power, the law of diminishing returns will inevitably set in. If, as was the case in the 1930s, the whole economy suddenly and for a long period of time actually contracts to a point far below the expansion rate of a decade or more before, then a missionary policy, if blindly pursued, not only will not produce profits, but its evils which have been overshadowed in an expanding era, will be multiplied and exaggerated many times in the contracting era.

Not Agency Responsibility

No longer now can business "skim off the cream" with one or two thousand of 20 pay or endowment and move on to the thousands of other sales waiting, Mr. Arnold said. In spite of the terrific lapse rate of the middle 30s, and although there were 65 million policyholders, new sales were still running as high as 65% to persons who had no previous insurance. Turnover of agents and lack of clientele building were so rife that less than 10% of new sales were being made to old policyholders of the same company. That is more the pattern of sales for a newly introduced tooth paste just hitting the market and not doing too well than it is for a well established business, he said.

However, it is not the agency man who should mark the point at which changed conditions call for a changed sales policy, Mr. Arnold declared. If

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Papers in the Garage

A civil and mining engineer of West Virginia in 1915 insured for \$2,500, and after the payment of twelve annual premiums the insurance was lapsed in 1928 for non-payment of premiums, the Company granting automatic term extended insurance to May 9 of 1949 for the face amount of the policy, the disability clause terminating because of the lapsation.

Six years later the insured became disabled by arthritis, but was not able to claim disability benefits during the eleven-year period which followed up to the time of his death.

When he died in 1945 of coronary thrombosis the beneficiary had no knowledge of the insurance, but a year and a half later she discovered a reference to the old policy among papers stored in the garage. She wrote to the Company for information, blank proofs of loss were sent to her, and she collected the full \$2,500.

Incidentally, the insured had been one of 14 children of his father, and confirmation of his date of birth was found in the old family Bible of 1820.

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THE PENN MUTUAL LIFE INSURANCE CO.

JOHN A. STEVENSON
President

INDEPENDENCE SQUARE, PHILADELPHIA

M.D.R.T. Sponsors Behr Memorial Grant

The Million Dollar Round Table has decided to sponsor what shall be known as the Louis Behr Memorial Grant in memory of Louis Behr, famed Equitable Society manager at Chicago and immediate past chairman of the round table, who died there just the other day at age 40.

The funds will be turned over to the Foundation for Cancer Research, which is a local project at Michael Reese hospital, Chicago. It was there that Mr. Behr died of cancer. Although the

Round Table is sponsoring this grant, contributions will not be limited to round table members. Contributions will be in order from Mr. Behr's other friends, insurance and otherwise.

It was a tragic coincidence that two young Chicago life insurance men of distinction should die of the same disease on the same day at the same hospital. Samuel Kenison, regional manager for industrial agencies of John Hancock Mutual, suffered the same fate as Mr. Behr. He was but 37.

Rappaport Agency Gets Prized Cup in Ceremonies

A group of about 125, including members of the agency and life insurance notables, gathered at dinner at the Edgewater Beach hotel, Chicago, to witness the presentation of the John Henry Russell award to the Rappaport agency of Chicago by Pacific Mutual Life. This is the first time that this handsome cup has been awarded. It goes to the Pacific Mutual agency that has the best combined score on 11 phases of its operations.

Jul B. Baumann, Pacific Mutual,

Houston, who is vice-president of the National Assn. of Life Underwriters, was the toastmaster and Hazen Exeter, Salt Lake City, president of the Pacific Mutual General Agents Assn., presented the award. W. M. Rothaermel, vice-president, and Jens Smith, superintendent of agencies of Pacific Mutual were among other speakers.

Others speaking in compliment to the Rappaport agency included Phil R. Hobbs, Equitable Society, Chicago, president N.A.L.U.; Paul W. Cook, Mutual Benefit, president Chicago Assn. of Life Underwriters; Roland Hinkle, Equitable Society, Chicago, president American Society of C.L.U. Other guests were introduced including Holgar Johnson, president Institute of Life Insurance, and Robert L. Hoge, executive vice-president American Life Convention. Responses were made by Earl Rappaport, the senior partner, and his brother Eugene Rappaport, who is president of the Chicago C.L.U. chapter. There is a third brother in the agency, Leslie Rappaport.

Jens Smith, in his talk, recalled that when he started an agency for Pacific Mutual from scratch at Chicago 25 years ago, the first agent that he appointed was John Rappaport, who was the father of the three brothers.

Earl joined the agency in 1922, later became assistant manager, and has been general agent since 1939. Eugene went with Pacific Mutual in 1930 in the claims department, in 1932 was in the underwriting department and has been a partner in the general agency since 1941. He has been a member of the Million Dollar Round Table for two of the past three years.

Mr. Rothaermel told something of the background of the John Henry Russell plaque. He recalled that John Newton Russell was one of the great life insurance men of his generation and was president of the National Assn. of Life Underwriters. He was home office general agent. He had gone with Pacific Mutual at the time it took over the old Conservative Life. John Henry Russell succeeded his father as general agent and later went into the home office. He retired about four years ago to attend to his private interests and to engage in philanthropic work, but he continues his interest in life insurance and desired to perpetuate that interest in the form of this trophy.

Members of the agency presented to each of the general agency partners a handsome wrist watch.

Mrs. John Rappaport was a guest and was applauded.

NLRB Ruling in Phoenix Mutual Case Before Jan. 1

Now that a hearing has been completed at which counsel for the company was given the floor, the National Labor Relations Board is expected to hand down a ruling before the first of the year in the case of NLRB vs. Phoenix Mutual. Previously the trial examiner in the case had held that Phoenix Mutual had violated the National Labor Relations act in discharging two agents in a Chicago office. Richard Henry of the law firm of Eder & Peterson, who had been one of the two lawyers for Phoenix Mutual before the trial examiner in Chicago represented the company in the hearing before the board. Under NLRB rule he was limited to arguing the conclusions the board could draw on the report of the trial examiner, but could present no new evidence.

Fitzgerald Aids Bond Drive

MILWAUKEE—Sound management of the public debt of \$260 billion requires that it be spread among many individuals, Edmund Fitzgerald, vice president Northwestern Mutual Life said in addressing a meeting here of 250 key bankers and industrialists of Milwaukee and Wisconsin, sponsored by the Chicago Federal Reserve Bank to start off the new savings bond drive.

Congratulations to The Institute!

"What this country amounts to... depends on what happens to its homes"

"Family happiness has to be planned"

Who should manage the family money?

"FAMILY HAPPINESS HAS TO BE PLANNED"

We think the current newspaper advertising campaign—"Family Happiness Has To Be Planned"—is one of the finest jobs the Institute of Life Insurance has done.

The importance of sound planning for "Family Happiness" and the importance of the agent strike a responsive chord with every career underwriter in the business.

Perhaps we are particularly enthusiastic about this campaign because Home Life has been concentrating on these same principles since May 1933, almost fourteen years ago, when our Planned Estates program was launched.

Our entire company plan of operation is being built around the importance of the career Field Underwriter and the importance of Client Building Through Planned Estates.

HOME LIFE INSURANCE COMPANY

256 Broadway, New York 8, N. Y.

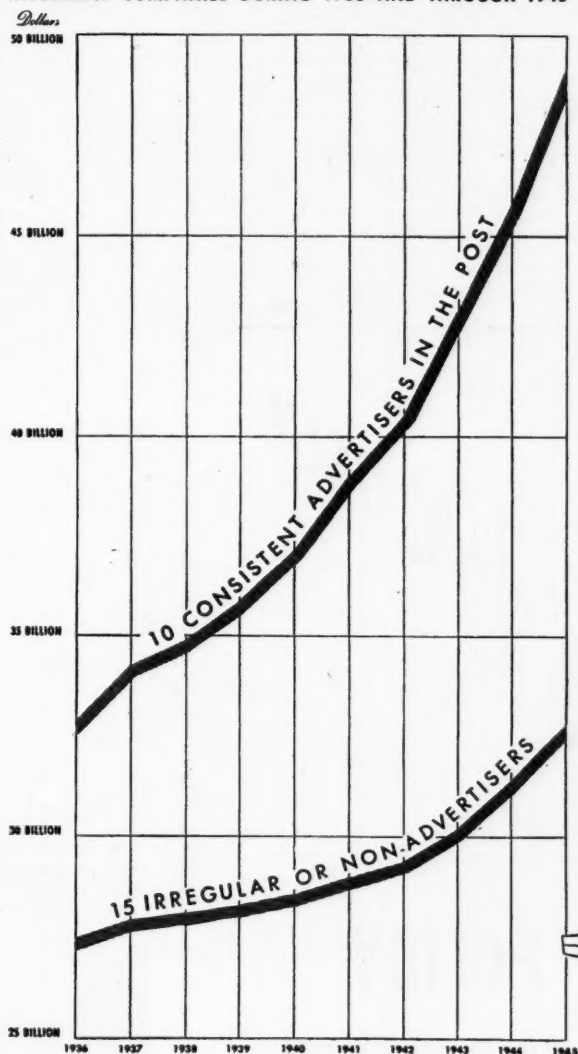
ETHELBERT IDE LOW
Chairman of the Board

WILLIAM P. WORTHINGTON
Agency Vice President

JAMES A. FULTON
President

Here's food for thought

GRAPH SHOWS THE GROWTH OF ORDINARY LIFE INSURANCE IN FORCE (IN BILLIONS OF DOLLARS) WITH LEADING LIFE INSURANCE COMPANIES DURING 1936 AND THROUGH 1945



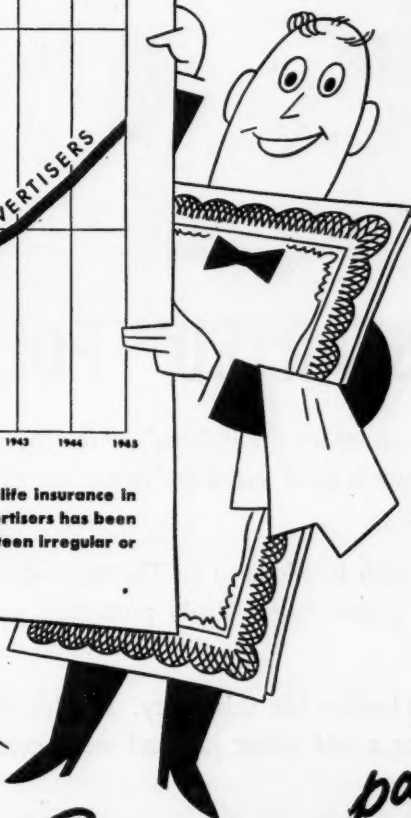
For this ten-year period, the growth of ordinary life insurance in force among the ten consistent Post insurance advertisers has been more than three times as great as that of the fifteen irregular or non-advertisers.

THERE'S A LOT OF MEAT for an insurance man in the chart at the left. Because it shows you just how successful advertising can be in helping you sell insurance.

The chart indicates the growth of the 25 leading insurance companies during the past ten years. You will notice that the upper line shows what happened to the ten companies that advertised consistently in The Saturday Evening Post. Isn't that a good indication of the effectiveness of continued advertising?

► Advertisements in the Post reach the best prospects — the people whose education and income are well above average.

► Advertisements in the Post get attention. People like to read ads in the Post — far more than in any other magazine.



It pays to have the Post

pave the way

THE SATURDAY EVENING
POST

WOULD AMEND CROSSER BILL

Shape Program to Extinguish Federal A. & H. Cover for Railroad Workers

Considerable sentiment is said to be developing in favor of trying to get an amendment to the Crosser bill at the next session of Congress to eliminate the system of non-occupational sick and accident benefits commencing July 1, 1947. Many of the railroad workers, it is said, are opposed to the injection of this disability benefit plan in the railroad retirement setup. They want to purchase their own protection privately and above that they fear that if the disability program should produce a deficit, it might have an adverse effect upon the retirement program which is highly valued.

M. W. Clement, president of Pennsylvania railroad, declared recently that the Crosser bill puts in peril the railroad pension scheme, because he predicted that the new and increased benefits, which it pretends to provide, cannot be supported even by the enormously in-

creased wage and payroll taxes which it calls for.

Mr. Clement said it was amazing that the same Congress that insisted on keeping the social security tax on employees in other industries at 1% has practically doubled the tax on railroad workers, who are already paying much more than other workers. Because of the Crosser bill, he said, railroad employees will soon be paying more than six times as much tax as employees of other industries, but their maximum pension will be less than twice theirs. For instance, a railroad man of 30 years service who is earning \$300 a month is now paying a retirement tax of \$10.50 per month or 3½%. Starting next January the tax will be \$17.25 or 5¾% and by 1952 it will be \$18.75 or 6¼% and for this increase he will not receive one cent more pension.

Mr. Clement said that the pension fund now is not financially sound and that even the greatly increased taxes will not put it on a sound basis. Health and accident insurance has always heretofore been the individual's responsibility. In keeping with the trend of the times, he declared, it may be desirable to put it on a 50-50 basis, the same as the pension, but it should not be paid for out of funds collected to provide unemployment insurance. A separate fund should be established and that should be kept financially sound.

To Salute Hogg, Hobbs

The insurance membership group of the Union League Club of Chicago will give a good fellowship luncheon Dec. 16. There will be two prominent life insurance men featured, they being Robert L. Hogg, executive vice-president of the American Life Convention, and Philip B. Hobbs, agency manager of Equitable Society and president of National Assn. of Life Underwriters. The group desires to feature Chicago insurance men who have attained distinction, brought honor to their calling, have been elected to some office or in some other way have given insurance a boost.

More Leeway on Blanks Changes Seems Assured

NEW YORK—More leeway in considering changes in the annual statement blank and in the effective date will be given the companies, it was indicated by Commissioner Allyn of Connecticut, chairman of the National Assn. of Insurance Commissioners subcommittee on blanks, at the hearing held there.

C. G. van der Feen, comptroller of National Surety, pointed out that present procedure gives the companies scant time to consider the proposed changes before they are adopted. He urged that Jan. 1 be the deadline for all proposals and that the agenda be in the companies' hands by Jan. 31. He suggested that the blanks committee meet about April 1, that its preliminary report be available to the companies by May 1, and that the N.A.I.C. executive committee give the companies a final hearing before adopting a report. He asked that the more important changes not apply to the year in which they are adopted but be made effective Jan. 1 of the next calendar year.

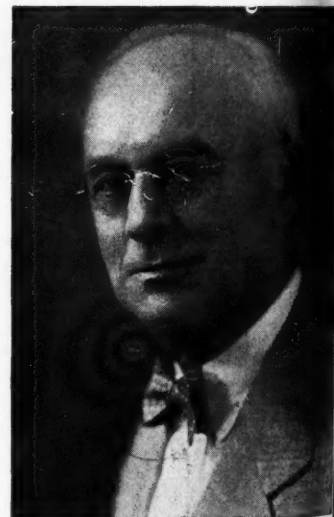
Representatives of other insurance groups agreed with Mr. van der Feen's recommendations.

O. P. Kernodle Celebrates

Oliver P. Kernodle celebrated his second anniversary as general agent of Penn Mutual Life at Salt Lake City with an agency party and dinner. The home office was represented by Henry Bauer, assistant superintendent of agencies, who reviewed company and agency activities. He said the Salt Lake agency increased its production in 1946 over the previous year by 45%, and that the first nine months of 1946 exceeded the full year 1945.

The dinner was preceded by an agency meeting, at which Mr. Bauer talked on home office and agency cooperation.

Marks 50 Years



RAY O. BECKER

Ray O. Becker this week celebrated his 50th anniversary with Northwestern Mutual Life. He is a member of C. R. Garrett general agency at Peoria. Mr. Becker was formerly Peoria general agent, but resigned in 1938.

He started as a part time agent in 1896, then becoming district agent and general agent in 1905. In 1899 Mr. Garrett was awarded a gold medal for winning the largest number of lives of an agent in the U. S., and in 1902 was leader in paid for insurance for Northwestern Mutual.



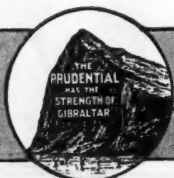
"GETTING - STARTED" POLICY

Those first few years are not easy—either for the Roberts', or for any young married couple. But the outlook for the future is good and their "money margin"—income in excess of expenses—should increase.

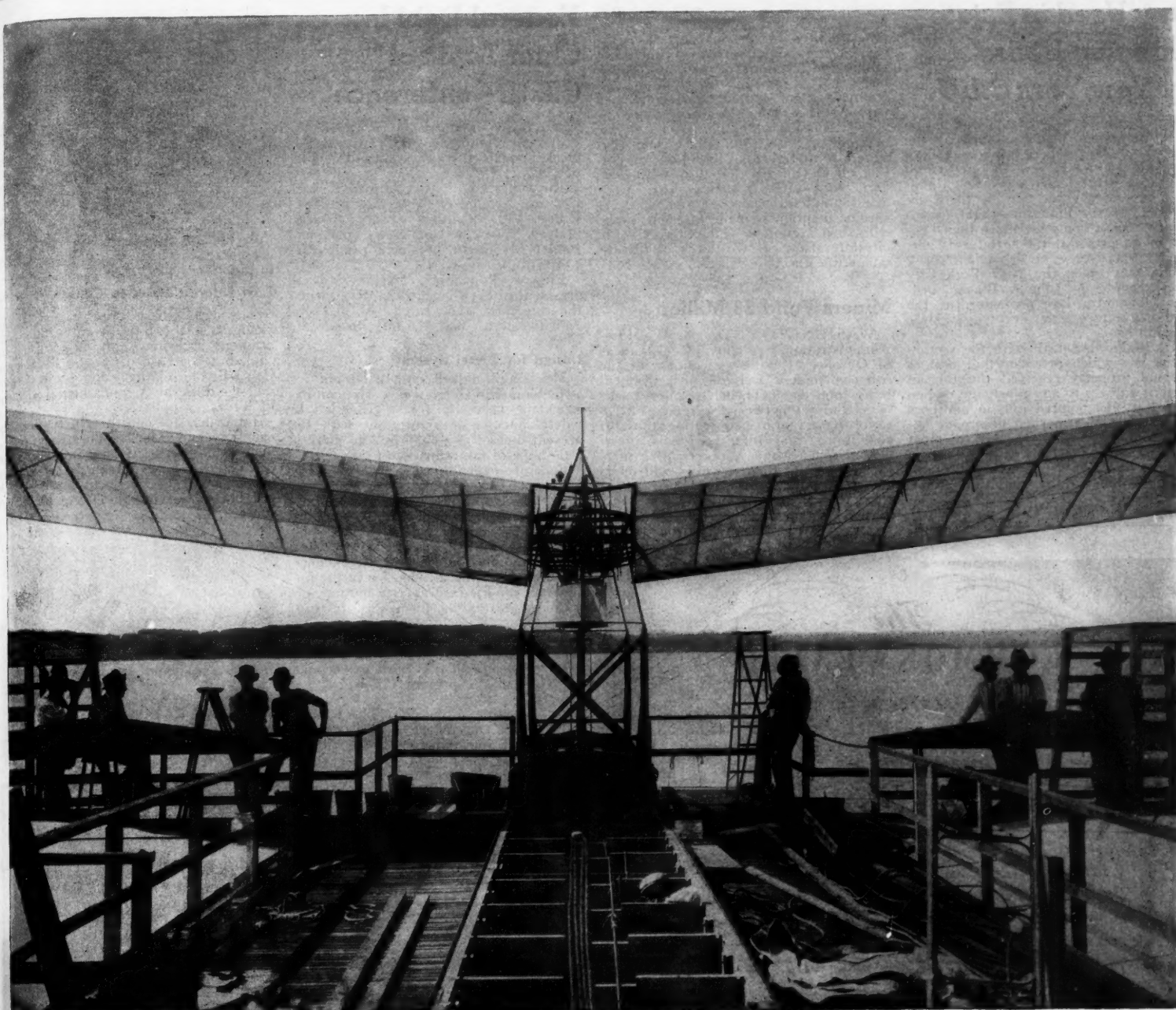
The Prudential recognizes this fact with its Modified 5. The reduced premium—one-half of what it will be after five years—makes family protection possible NOW! Intentions become actions!

Prudential Field representatives and brokers like this policy. It helps them keep pace with today's market. They're doing a real selling job, and we're going to keep on helping them in every way!

THE PRUDENTIAL
A MUTUAL LIFE INSURANCE COMPANY



**INSURANCE COMPANY
OF AMERICA**
HOME OFFICE . . . NEWARK, N. J.



When Langley flew his Steam-Powered Airplane

It was on May 6, 1896, fifty years ago, that Professor Samuel P. Langley launched his "aerodrome," with wings and a miniature steam engine, over the Potomac River. This early airplane twice sustained itself in the air for 1½ minutes, the time for which it was supplied with fuel and water. Each time it covered a distance of a half mile. The War Department was so impressed by the demonstration that an appropriation of \$50,000 was obtained for further experiments to develop a man-carrying airplane.

It was in the same year that the New York Life Insurance Company started a special agency plan, called "Nylic for Agents," to elevate the standards of life insurance service and encourage qualified men and women to make a lifetime career of life underwriting. The essential principles of this plan have remained the same for the past fifty years although, from time to time, the Company has made adjustments in it to suit changing conditions.

This year, on the Golden Anniversary of "Nylic for Agents," the Company has made still further changes in this unique system of benefits which make it appeal especially to young men and women who contemplate making a lifetime professional career in the field of life underwriting.



NEW YORK LIFE

INSURANCE COMPANY

51 MADISON AVENUE • NEW YORK 10, N. Y.

Law Used in Estate Planning Heard by New York C.L.U.

NEW YORK — Legal information useful in estate planning such as the New York law which provides that a surviving spouse is sure of one-half of a decedent's estate if there are no children, or at least one-third if there are children; or the limitation that gifts to charity cannot comprise more than one-half of an estate if the testator is survived by a spouse, a dependent, or a parent, was given the New York City C.L.U. chapter by John A. Blake, Fordham University law professor, at the third of a lecture series devoted to estate planning.

Mr. Blake also dealt with the section of the law which provides that real or personal property received through an estate is subject to any mortgage or lien against it. He pointed out, in addition, one instance of a marked difference between New York and the law of most other states. In most states it is possible to make documents other than the will a part of the will by simply referring to them in it.

Originally, in New York, no extrinsic

writings could be made part of a will by reference, but now, according to an interpretation of certain court cases, he said, it is possible to make writings not within the testator's control, and which were not a testamentary disposition from his standpoint in the beginning, a part of the will by reference.

In discussing other limitations on the making of wills, Mr. Blake said that generally there are no limits on the cutting off of children, but to prevent children born after a man's death from being unintentionally overlooked, if no specific mention is made of them in the will, such a child or children receive an intestate share of two-thirds of the estate, while the wife receives one-third.

Miners Fund \$8 Million

WASHINGTON—The Coal Mines Administration has announced that as of October 31, total collections for the soft coal miners' welfare and retirement fund totaled \$8,114,000. Under terms of a contract between Secretary of Interior Krug, who is operating the soft coal mines, and John L. Lewis, president United Mine Workers of America, a board of three trustees will operate the fund, which is at present in charge of Rear Admiral Walter Buck, paymaster general of the navy.

Federal Debt Is Chief Topic of C.L.U. Conference

A crowd of over 400 attended the economic conference in Chicago this week, sponsored by the Chicago chapter of C.L.U.

Roswell Magill, tax attorney with Cravath, Swaine & Moore, New York; Roger W. Valentine, economist with Halsey Stuart & Co., New York, and Paul G. Hoffman, president Studebaker Corp., were speakers.

Eugene Rappaport, Pacific Mutual, president of the Chicago chapter, opened the meeting and Loyd W. Uebele, Northwestern Mutual, introduced the speakers.

Design for Fiscal System

Mr. Magill talked on "A Design for a Federal Fiscal System." He emphasized the necessity for a reduction in federal spending, saying that with the present budget of \$35-40 billion, there is little hope of tax reduction.

Federal expenditures need not be more than \$20-25 billion, he said, and with active production income taxes could be materially reduced.

Such steps would aid in savings and re-establish the sources of venture capital. Premiums could be further encouraged by permitting a reduction in the income tax for life insurance premiums, or in the estate tax for life insurance proceeds.

The government has gone far astray from the philosophy that it is a good policy to save, and it is hard to encourage thrift at the present tax levels, he asserted.

Mr. Valentine, discussing "The Federal Debt and the Money Market," remarked that approximately \$83½ billion of the government debt of more than \$233 billion is due within the next five years, with another \$83½ billion within the next six to 10 years. This presents

a terrific refunding operation to the Treasury and constitutes one of the basic problems of debt management in the period immediately ahead.

Mr. Valentine said that the objectives to be sought in such debt management include refunding of a substantial portion of the short term debt into longer terms; reduction of the proportion of the total debt now held in the commercial banking system; wider distribution of ownership among individuals for investment purposes; reduction in the amount of debt outstanding through retirement as rapidly as possible; and stabilization of the price structure of government securities to achieve stability in the money market.

Low Interest Rates to Continue

Through these operations, some changes in the interest rates and government securities may take place, he said, but there seems to be little question that the relatively low interest rates will continue as a fundamental element of Treasury policy.

In order to control fluctuations in economy and thus set up strong resistance against collectivism, inflation must be avoided, Mr. Hoffman asserted. One of the most effective activities to check inflation is to redouble efforts to sell insurance, he said.

The COMMONWEALTH Commentary

THE ONLY WAY

If you will look back over the last twenty-five years, you will find that the wages of man have climbed until they are almost double what they were, while during the same period the wages of dollars at work—called interest—have fallen to about half their former level.

The significance? It is this: Your grandfather could readily hope to accumulate enough dollars so that their "wages" would be equivalent to the income from an average job, thus enabling him to retire. But not today. Today it takes four times as much capital to accomplish this—not to mention the increased burden of current income taxes.

For us, and for the prospects of our generation, the only way to make our dollars provide a living retirement income is to annuitize them.

No other method will do the job.

Insurance in Force, October 31, 1946 — \$302,761,415

COMMONWEALTH
LIFE INSURANCE COMPANY

LOUISVILLE • MORTON BOYD, President

Personnel Head



BEN ALTON

Business Men's Assurance has appointed Ben Alton, assistant secretary, as personnel director. The creation of this new office is necessitated by the number of home office employees. Mr. Alton, working with L. D. Ramsey, secretary, will expand the plans for training of personnel.

Mr. Alton has been with B.M.A. more than 25 years. He is head of the Boy Scout organization at Independence, Mo. He was elected assistant secretary in 1945 and is now head of the policyowners' service department. He will also continue his interest in that department in a limited way.

GETTING OUT THE ANNOUNCEMENTS OF THE NEW INTERMEDIATE TRAINING COURSE, "THE R AND R CAREER COURSE," IS PROVING AS DIFFICULT AS GETTING OUT THE COURSE ITSELF!

DELIVERY OF THE FOLDERS describing the course was promised for Monday; this is Wednesday. Not only are there no folders, but also, the printer is hiding from us—literally! He is "not in" to phone or person-to-person calls!

DESPITE THE FACT THAT NO REAL ANNOUNCEMENT HAS GONE YET AS THIS IS WRITTEN, FOUR OF THE BIGGEST COMPANIES HAVE HEARD OF THE COURSE, ASKED ABOUT IT, AND ADOPTED IT AS THE INTERMEDIATE STEP IN THEIR TRAINING PROGRAM FOR ALL FIELD MEN.

IN TWO OF THE FOUR CASES, the decision was made solely on a basis of the outline we were writing from here in the office—a "sight unseen" selection, which we consider a sincere tribute from the industry to the record R and R has built up as the pioneer in sales training courses and the leader in such work for 35 years.

THE NEW "CAREER COURSE" IS DESTINED, LITERALLY, TO MAKE SALES TRAINING HISTORY.

OSLER
batting for
PAUL SPEICHER
Managing Editor

**THE INSURANCE
RESEARCH & REVIEW SERVICE
INDIANAPOLIS**

TWO VIEWS, ONE GOAL

Programs vs. Package Heard at Sales Meet

NEW YORK—The sale of an income-producing policy which is made the keystone of an insurance program, the good average policy size sold through programming, and the groundwork for future sales which programming service develops are all factors in the value of the programming mode of presentation, Robert B. McIntosh of New England Mutual told the New York City Life Underwriters Assn. at a third town hall meeting on fundamental selling skills.

Prospecting is an integral part of the programming presentation, he said. At the time of following up on settlement agreements, the producer is in a position to get the names of others who need the same service as the present plan. The objective of the first interview said Mr. McIntosh, is to gain the confidence of the prospect and to secure information on policies held, on what minimum income the family would need in the event of the father's death, on what retirement income is required, and on other factors in a man's financial life which will affect his insurance program.

The prospect's present insurance program is then analyzed to see if it is doing the income job for his family and for his own retirement required of it. The insurance program proposed, he noted, must stay within the margin of saving which the prospect is willing to establish.

Michael P. Coyle, Phoenix Mutual, spoke on the package sale, saying that he viewed program selling as nothing more nor less than a series of package

sales. His method, he told the association, is to sell a package of retirement income.

At his first interview, he presents a list of the men who have recently bought retirement plans of all kinds from his company. Then, in a series of questions, he brings home to the prospect that through an insurance retirement income plan he can have more money to spend before 65 without sacrificing any retirement income. Savings invested at 3%,

he explains, which would bring a retirement income of \$100 a month, would, if invested in an insurance income plan, result in an income of \$200 a month at 65. Furthermore, \$12,500 is guaranteed to his estate no matter what happens to him.

The policy covers life, death or disability. Meanwhile, he can spend the difference between the cost of direct saving and the cost of insurance saving.

Moderator of the meeting, sponsored by New York City Life Underwriters Assn. and New York City Life Supervisors Assn. was Theodore G. Meyerhoff, Equitable Society assistant manager in New York City.

Jerry P. Donovan Is New Nevada Commissioner

The new state controller and ex-officio insurance commissioner of Nevada is Jerry P. Donovan. He defeated Henry C. Schmidt, the incumbent, in the primaries.

Kersten to Sioux Falls

Arthur H. Kersten, assistant manager at Milwaukee for Retail Credit Co., has been transferred to Sioux Falls, S. D., as manager. He has been in Milwaukee 16 years.

TWO WINNERS WITH SOMETHING IN COMMON...



... the quarterback leads his team to victory by having the right plan for every scoring situation—and the Provident Producer makes more sales by having the right plan for every income protection need.

1. LIFE INSURANCE: All modern forms from birth to age 65 . . . Special plans for women and children . . . Substandard . . . Life Income . . . Optional Retirement . . . Double Protection . . . Salary Savings . . . Non-cancellable Disability combined with wide choice of life forms.

2. DISABILITY INSURANCE: Lifetime Accident and Sickness . . . Non-cancellable Disability . . . Commercial Accident . . . Monthly Premium . . . Franchise Disability Plans.

3. HOSPITAL INSURANCE: For individuals and family groups, ages 3 months to 64 years . . . Hospital Room and Board . . . Miscellaneous Hospital Expense . . . Surgeon's Fees . . . Medical Care.

Life Insurance in Force increased over 70 MILLION during the last ten months!

PROVIDENT
LIFE AND ACCIDENT
INSURANCE Since 1887 COMPANY

CHATTANOOGA 2, TENNESSEE

INDIVIDUAL, FRANCHISE, AND GROUP PLANS

Scott Marks 40th Year of Selling for Penn Mutual

Thomas M. Scott of Philadelphia has celebrated his 40th anniversary with Penn Mutual Life. He has been recognized for many years as its top ranking agent and frequently has been recipient of company honors. He holds a life membership in the Million Dollar Round Table, of which he is a former chairman, and is chairman of the recently formed Philadelphia Million Dollar Round Table group.

Mr. Scott is a former vice-president of the National Assn. of Life Underwriters, a past president of both the Philadelphia Insurance & Trust Council and the Philadelphia Assn. of Life Underwriters. During his first 30 years in the business he placed \$40 million on the books. He has qualified for the Leaders Club through 177 consecutive months from the date of its inception. Since it was established in 1945, he has received the national quality award.

Landau's Activities Are Reported in Michigan

LANSING, MICH.—Michigan police have been alerted in an effort to apprehend a notorious confidence man who makes a specialty of swindling widows by purporting to arrange for paying them benefits from a "paid-up" life policy of their husband's about which they knew nothing.

The swindler has been identified as Jake Max Landau, a fugitive from Kentucky state prison. He victimized a Lansing woman of some \$30 and had attempted to trick her out of an additional \$150 to "pay the income tax" which he claimed would be due on a mythical \$4,000 policy.



T. M. Scott

Lower John Hancock Ordinary Dividends

A lower dividend scale for 1947 on ordinary insurance policies has been adopted by John Hancock.

Dividends under the new formula for premium-paying ordinary will be reduced in every case, although the reduction under term policies will be less marked. Dividends will be materially reduced on paid-up policies under which reserves

are based upon an interest rate of 3% and will be eliminated completely in 1947 for paid-up policies based upon 3½%.

On premium-paying industrial policies, John Hancock will continue the current dividends. On industrial paid-up policies, there will be no surplus distribution in 1947.

The scale of dividends currently in effect on retirement annuity contracts will be continued during 1947, since it was based upon a somewhat lower interest factor than that currently used

on ordinary. Likewise the present general dividend formula will be continued for group policies in 1947, with adjustments resulting from experience shown, since dividends under most such policies do not involve an interest factor.

The rate of interest allowed by the John Hancock during the current year upon the various funds held on deposit or retained under policy provisions will be continued during 1947.

Await Move to Elevate Status of Ohio Superintendent

COLUMBUS—If Thos. J. Herbert, who becomes governor of Ohio early in January, carries out his campaign promise to make the superintendent of insurance a cabinet position and raise the salary from \$5,000 to \$7,500, it may be several months before a new superintendent is named. The salary is set by statute, it is explained, and the salary of no official can be increased during his incumbency of the office. It would take several months at least, it is believed, to have the desired law passed.

Some believe, however, that the law against increasing the pay of an official while he is in office, applies only to elected officials and not to appointed officials. It is contended also that if the superintendent of insurance were made a member of the cabinet with an increase in pay it would be the same as the establishment of a new office.

It is recalled that 1912 Gov. Judson Harmon named E. H. Moore of Youngstown superintendent of insurance. The pay was then \$4,000 and Mr. Moore would not accept the office at that figure. It took a year, it is recalled, to have a law passed increasing the pay and the Republican superintendent of insurance was permitted to serve another year.

In connection with the appointment of a new superintendent two names have been mentioned: Senator Theodore M. Gray of Piqua, who is secretary of the Ohio Assn. of Insurance Agents, and J. Roth Crabbe, former superintendent, who is now associated with the Farm Bureau companies. Mr. Gray has announced, however, he is "not available."

Life of Va. Debit Men in Four States Walk Out

R. J. Delorme of Detroit, business agent for Local 2264 of the A.F.L. Industrial & Ordinary Insurance Agents Union, announced that 200 agents of Life of Virginia, in Michigan, Ohio and West Virginia have gone on strike. He said the agents walked out after negotiations between the company and the union for a wage increase broke down Saturday. He declared Life of Virginia declined to meet the demands of the union for a \$3 a week salary increase.

STATEMENT BY COMPANY

RICHMOND—Charles A. Taylor, executive vice-president of Life of Virginia, commenting upon strikes of the company's agents in Michigan, Ohio and West Virginia, said that there are partial strikes in some of the company's district offices in Detroit and Ohio and West Virginia. He then gave out the following statement regarding the matter:

"The company through long negotiations has sought to agree upon a contract with the union representing the agents involved. Some of the matters about which we have been unable to agree pertain to management functions which we cannot transfer to the union. Some pertain to questions of policy about which there are honest differences of opinion between the company and the union.

"With respect to compensation the company has offered provisions which it considers fair and reasonable. Bear-

Hatcher Addresses Atlantic Alumni

BALTIMORE—Robert V. Hatcher, president of Atlantic Life, was one of the speakers at the luncheon meeting here Thursday of the Atlantic Alumni Assn., composed of those in the New England and Atlantic states who are graduates of the L.I.A.M.A. schools in agency management. "The President Looks at His Post-War Agency Building Job" was his topic.

Robert Hatcher

Other speakers were Harry Krueger, general agent of Northwestern Mutual, New York, who discussed training and development plans; Fred I. Wunderlick, superintendent of agencies, Baltimore Life, "Training of the Industrial Agent"; Richard E. Myer, New York manager of Mutual Life, who gave the same talk that he delivered last week at the L.I.A.M.A. annual meeting and L. W. S. Chapman, director of company relations for L.I.A.M.A., on "New Era In Training." This is the first of four meetings for 1946-47 of the Atlantic alumni group.

Chairman of this meeting was James P. Graham, general agent of Aetna Life here.

Pa. Agents' Group Opposes "Preferred Risk" Selling

The Pennsylvania State Assn. of Life Underwriters has gone on record as opposed to use of "preferred risk policies" with reduced commissions for the writing agent. A resolution was unanimously adopted by the group at its meeting at Harrisburg this month.

The resolution says that the principle of providing lower commissions to achieve lower premiums is not in the best interests of life underwriters, and in the long run it is not in the best interest of the insurance buying public. It recommended that companies entered in the state discontinue the practice, and copies of the resolution were sent to company associations.

Stuebling at Evansville

Robert Stuebling, personnel director of the Union Central Life, addressed the Evansville, Ind., chapter, National Office Managers Assn. He said employers lay too much stress on the material rather than the human side of production.

Talk on Employe Plans

Arthur S. Potwin, consultant on pension trusts and employe plans, addressed a large group of brokers associated with the W. H. Siegmund agency of Connecticut Mutual Life in Los Angeles "Selling Employe Plans."

ing in mind its responsibilities to policyholders and the public, the company is constantly endeavoring to promote the interest of its agents, but has not been able to accept some of the requests of the union.

"Despite failure to reach an agreement with the union months ago, the company has continued its efforts to find common ground. At the conference held to discuss Detroit matters only, company representatives negotiated for five days, and then returned for an adjournment to permit them to return to the home office. They have offered to meet again at a time and place to be agreed upon. Negotiations have not been broken off by the company."



FOR LITTLE FOLK WITH BIG FUTURES

WHAT KIND of baby policy—life or endowment—will best fit baby's needs at 21?

We don't know. We won't guess. A wrong guess might leave a grown-up boy or girl uninsured or underinsured—perhaps uninsurable.

That's why Occidental agents sell the Junior Estate policy.

If baby needs money for schooling, the endowment-like provisions of Junior Estate provide heavy cash values up to anniversary nearest age 21.

Then if it hasn't been used for schooling, each \$1,000 of childhood protection becomes \$5,000 of Ordinary Life insurance. No proof of insurability asked. No premium increase. The per-thousand rate after 21 is only \$9 to \$12—less dividends!

No wonder dads buy it!

Occidental Life Insurance Company
of California

V. H. JENKINS - VICE PRESIDENT

"We pay lifetime renewals—they last as long as you do!"



"Registered Life Protection"

What else COULD we do?

FOR POLICYOWNERS — Life, Juvenile, Annuities, Accident, Health, Hospitalization, Family Group, Payroll; Participating, Non-Participating; Registered Life Policies.

FOR AGENTS — As liberal compensation as any, with Lifetime Service Commissions, Bonus Point System, and Pension Plan; Intensive First Year and Continuous Training; wide range of Sales Plans and Promotion Materials.

M. ALLEN ANDERSON

First Vice President,
Director of Agencies



REPUBLIC NATIONAL LIFE INSURANCE COMPANY

HOME OFFICE

THEO. P. BEASLEY, President

DALLAS, TEXAS

Ober to Chicago for Berkshire; Nelson to Conn.

Robert F. Ober, who has been general agent at New Haven for Berkshire Life, has been appointed as head of the Chicago agency. He succeeds Byron C. Howes, who died Sept. 18. Mr. Ober was born at Elgin, Ill., and is a graduate of Wesleyan University.

Roy G. Nelson, assistant general agent in the Thorne agency of Berkshire Life at New York, will become the new general agent at New Haven. He has been in the life insurance business since 1937, as an agent and supervisor and became associated with the Thorne agency in 1943. He attended Fordham University.

Mr. Ober entered life insurance in 1939 as supervisor for Connecticut Mutual at New Haven. Later he became assistant manager there for Equitable Society and last March after returning from navy service as a gunnery officer became Connecticut general agent of Berkshire.

Oppose "Nest Egg" Use in N. J.

The New Jersey State Chamber of Commerce will oppose the proposal to use the \$182 million that is available to the state as a nest egg for a cash sickness benefit plan when the question comes up at the public hearing scheduled at Trenton this week. The hearing is being held by the state's post-war economic welfare commission. It is understood that the unions will vigorously support the proposal to use the money, which represents funds paid in taxes to the unemployment compensation fund from employee contributions. New Jersey is one of the few states taxing employees for the unemployment fund.

The state chamber's opposition is based on the fact that if there is no state fund there will be no place to use the money. The chamber contends that there should be no state fund but that privately insured or self-insured plans should be used. Second that the money should remain in the unemployment compensation fund since it will eventually very likely be needed. If it is taken out of the fund the money, if needed, will have to come from the employers. It is pointed out that while \$182 million seems like a lot of money New Jersey has one of the most liberal unemployment insurance compensation plans, the maximum being \$22 a week for 26 weeks.

Among insurance representatives at the hearing will be Albert Pike, Jr., actuary of the Life Insurance Assn. of America, and as representatives of Prudential, E. B. Whittaker, vice-president; Frederick Groel, secretary, and Alexander Query of the law department.

There are three general types of possible cash sickness benefit laws. The Rhode Island type is monopolistic, excluding privately insured and self-insurance plans. The proposed New Jersey plan requires coverage but sets up no state insurance fund. The California type is between the two, requiring coverage and setting up a state fund but permitting privately insured and self-insured plans.

Football Winners See Game

Thirteen general agents and 43 agents of Equitable Life of Iowa will attend the Notre Dame-Tulane football game

at New Orleans this weekend as winners in the 1946 All-Star football contest conducted by the company.

The five-weeks contest produced \$21,844,495 of new business, an increase of \$8,844,495 over the 1945 record-breaking total.

Bankers National Life has appointed E. William Neiser as general agent at Wadsworth, O. He has had nine years of experience with Equitable Society and Ohio National.

Metropolitan Will Put NSLI on Salary Deduction

NEW YORK—Metropolitan Life will make it possible for the thousands of its employes who have National Service Life Insurance to pay their premiums by salary deduction. For those who

desire the salary deduction plan, an equal amount will be deducted from each salary payment. Deductions will be made in the month previous to that in which the premium comes due. The plan will start with premiums due in February. All payments will clear through the home office in New York City, which will pay the premiums to the NSLI offices.

Doorways to Prospects by Cagan is a gold mine of practical prospecting plans. \$2.00 from THE NATIONAL UNDERWRITER.



To bring it back...alive!

The soil of unworked land is springy, resistant to the touch, clings together, holds water and resists dissolution . . . is so rich in humus and minerals that first crops are bountiful . . . But plowed and reaped for years without enough rest or restoration, the soil becomes dead dust that sifts and blows, cakes hard with moisture, runs off under heavy rain . . . will grow sparse and deficient crops.

During the war years some 12,000,000 acres of our best land were over-worked, have lost seriously in fertility and food content . . . must go back to sod crops to restore soil structure, preserve productiveness.

This capital loss concerns the American people and the whole world.

In **SUCCESSFUL FARMING** for November, there are three major articles on soil structure, sod crops, and protective measures . . . of the utmost importance to SF's farmer subscribers . . . and of significance to every insurance advertiser. Worth the reading time also, as evidence of how the first US farm magazine serves the first US industry . . . see pages 23, 26, 28.



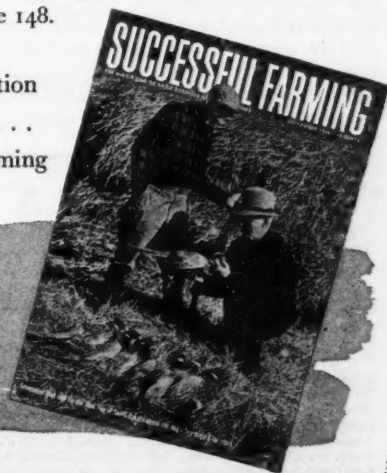
Bulls Receivable . . . is an accounting classification of the Home State Bank, Jefferson, Ia. . . which loans purebred dairy bulls to farmers . . . who use sire, sell, pay off note, and split profits averaging \$130 with the bank, "The Banker," page 48.



The Sow-clal Register . . . Lookin' and hopin' is poor way to pick pigs . . . modern method gets family tree, Ma's and Pa's record, number of brothers and sisters in litter . . . weights at weaning time . . . takes guess from gilt and sow selection. "You Can't Pick a Sow By Lookin'," page 148.

Also . . . "Chickens Are Eating Better, Too" . . . "What Can Insulation Do For You?" . . . "They Want Lots of Kilowatts" . . . "Farm Outlook" . . . "Successful Homemaking" . . . other major contributions to scientific farming . . . make SF first among the first farmers of the 13 agricultural Heart States, New York and Pennsylvania . . . with the highest yields, cash incomes, property investments, and buying power . . . a million plus profit prospects, today's best policy market. For the facts about this major market, ask any office . . .

SUCCESSFUL FARMING, Des Moines, New York, Chicago, Detroit, Atlanta, Cleveland, San Francisco, Los Angeles.



EDITORIAL COMMENT

In the Public Interest Comma

We aren't mad at anybody and we don't advocate that they quit doing it but we have been getting a chuckle lately out of the ubiquitousness of the tag line "in the public interest." Its use has proliferated in the debate over what to do about public law 15. Both sides and all sides go along with their arguments in the normal course and then, as if it were a punctuation mark, inject

the phrase "in the public interest."

It reminds us of the northerner who took up his stand in the south and proceeded to develop a synthetic southern accent. But when he got excited he would forget to keep in his new role and would lapse into Yankee tongue. Then he would remember he had forgotten and at no matter what point in a sentence he was he would say "you all."

We Can Solve Our Own Problems

Not long ago, the manager of a large industrial concern found that one of his key machines was out of order. It was necessary to get action. It was highly desirable to have the repair made, and not be compelled to summon aid from a long distance where the machine was made. The manager called in one of the workers who is known to be very handy with tools and able to "fix" almost anything. He sent for him and

told him what was the matter. He asked him whether he could do the needful? The man replied, "Well, some man made it, didn't he?" That was enough. If a man made the machine, a man could repair it.

So with all our problems, they are man made, and hence, we can solve them if we try. All we need to do is to have knowledge and know how to use it at the correct point.

Injustice of Hasty Judgments

It has been stated by keen observers and students that 75% of our judgments about people, and things are incorrect. We jump to conclusions hastily. We may reach our decisions through a prejudiced eye and ear. We think we know it all. We are very pronounced in our opinions and we know we are right. We hasten to tell the answer. We always feel humiliated to acknowledge that we

have been in the wrong.

Many wrongs are inflicted, much damage is done through our coming to conclusions without knowing all the facts and studying them. We do some grievous wrongs to people by announcing our hasty judgments. Reaching a correct conclusion requires candor, deliberation and a conscientious regard to do and say the right thing.

Need Supervisory Setup Expansion

It is now apparent that rate regulatory laws are necessary in the several states if regulation by the states is to be preserved. Such laws, when passed, will entail additional expense upon the supervisory officials who will be charged with their administration. It is a matter of common knowledge that state legislatures are extremely niggardly in their appropriation for insurance departments. Only about 5% of the taxes

paid by the companies is so used.

It seems incumbent upon companies, agents and the public actively to advocate and insist that the situation be thoroughly appraised by the 1947 legislatures, and sufficient appropriations be made and sufficient office space be afforded to the several insurance departments to the end that the new laws be administered in accordance with the express intent of public law 15.

Mark Twain Analogy

The misuse of statistics, the foretelling of far-distant interest rates, unrelated data to compare one company with another, extension of dividend schedules into the next century, ratios, figures, calculations, "buy term insurance and invest the difference," net costs without

considering the initial premiums and the difference in benefits, bank interest vs. policy interest without explaining the advantages of one over the other, interpreting the higher cost of fractional premiums as interest charge and forgetting the service, comparative ratios of actual

to expected mortality, and on and on—all of these came to mind in our reading Mark Twain's description of the meandering of the Mississippi and how gradually the land between a meander narrowed until the river cut through the bulge. This is what he says in "Life on the Mississippi" (Harper & Bros.):

"In the space of 176 years the Mississippi has shortened itself 242 miles. That is an average of a trifle over one mile and a third per year. Therefore, any calm person, who is not blind or idiotic, can see that in the Old Oölitic Silurian Period, just a million years ago

next November, the lower Mississippi river was upward of 1,300,000 miles long, and stuck out over the Gulf of Mexico like a fishing-rod. And by the same token any person can see that 742 years from now the lower Mississippi will be only a mile and three-quarters long, and Cairo and New Orleans will have joined their streets together, and be plodding comfortably along under a single maypole and a mutual board of aldermen. There is something fascinating about science. One gets such wholesome returns of conjecture out of such a trifling investment of fact."

PERSONAL SIDE OF THE BUSINESS

Frank T. Sullivan, the insurance commissioner-elect of Kansas, has been a resident of Kansas since 1912 when he moved from his native Illinois. He worked on a farm in Russell county, Kan. He attended Kansas State College and had been at the University of Kansas for a year when he enlisted in the army in the first war. For a time he was a life insurance salesman and then was a teacher at Larned, Eskridge and Onaga. Then he engaged in business for himself. He served as state commander of the American Legion and was a member of the state board of administration. He served 4½ years in the second war and the last year was commander of military police in Berlin. He was a major.

Harry J. Walsh, manager of the brokerage department of West Coast Life's home office agency, is confined to St. Francis Hotel, a victim of coronary thrombosis. He had only recently recovered from serious injuries suffered in an accident in San Francisco more than a year ago.

Miss H. Lorine Pickett of New England Mutual's St. Louis agency, was the featured speaker at the dinner meeting of the Intercollegiate Nations Conference at the University of Missouri. Students and faculty members of 12 midwestern colleges and universities were in attendance. Miss Pickett, who is secretary-treasurer of the American Assn. of the United Nations, has written several articles on her European travels and has published a book on the history of the Jews in Poland and Russia.

A. Herbert Nelson, Minnesota state manager of Business Men's Assurance, has been appointed a member of the Minneapolis charter commission.

Holland V. Shields, Columbus, O., special representative of Union Central Life, has been named an instructor in the life insurance marketing course at Southern Methodist University.

A. N. Kemp, chairman of Pacific Mutual Life has been presented the award of merit medal by American Air Lines, of which he was president during the war.

A testimonial dinner was given in St. Louis in honor of **Fred T. Rench**, commemorating his 35 years as general agent there for National Life of Vermont. Edward D. Field, vice-president

and general counsel, was toastmaster. Mr. Rench is a past president of the Life Underwriters Assn. of St. Louis and of the general agents and managers organization there.

Don W. Munro, acting manager of Union Central Life in San Francisco, is the father of a son, the third child in the Munro family.

Lewis J. Hayes, superintendent of Prudential at New Brunswick, N. J., retired, after 42 years with the company and was tendered a dinner by his associates. He has been superintendent at New Brunswick since 1924.

J. Boyd Davis, who has completed 25 years with Penn Mutual at Columbus, O., was tendered a dinner by members of the agency, of which Robert K. Zimmer is manager. Mr. Davis has served as treasurer of the Ohio Assn. of Life Underwriters and president and treasurer of the Columbus association.

A. L. Kirkpatrick, manager of the U. S. Chamber of Commerce insurance department, is scheduled to deliver a seminar at Butler University, Indianapolis.

DEATHS

James R. Geiger, 57, Fort Wayne, Ind., local agent, for many years with Connecticut General Life, died there from a heart attack.

Stewart M. Young, 68, Wichita local agent, died there following an operation for a brain tumor. He had been in apparent good health until the previous week. From 1906 to 1920 he was Equitable Society manager at Wichita, where he resigned to become Wichita postmaster. He held that post until 1938 when he organized the general writing agency which he operated until his death.

Erastus H. Hull, 56, local agent at Oshkosh, Wis., who represented New York Life there, died of a heart attack.

Harold D. Foster, general agent for Lutheran Brotherhood at Harrisburg, Pa., died recently from a heart attack. He had been general agent there since 1932 and had built one of the largest eastern agencies for Lutheran Brotherhood.

Mr. Foster was a son-in-law of the late C. H. Boyer and was associated

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with Mr. Boyer when the latter was vice-president in charge of the accident and health department of the old National Life, U. S. A., Chicago. Mrs. C. H. Boyer has made her home with the Fosters in late years.

Mr. Foster, for the past four years, was secretary of the Brotherhood of United Lutheran Church in America and was recently elected first vice-president. He was chairman of the United Lutheran Boy Scout committee.

J. Russell Sykes, 69, vice-president and comptroller of Fidelity Mutual Life, died at Hahnemann Hospital, Philadelphia, after a short illness.

He joined Fidelity Mutual in 1892 as an office boy. He was promoted to the bookkeeping division and in 1904 became assistant treasurer. He was elected comptroller in 1914 and in 1923 became vice-president.

Mr. Sykes was an organizer of the old Sales Research Bureau and director from 1931 to 1934 and 1942 and 1943.

He was a brother of Frank H. Sykes, executive vice-president of Fidelity Mutual, who died in 1944.

Miss Lillian C. Smith, 71, bookkeeper in the Life & Casualty home office for 20 years, died following a heart attack.

Col. Andrew A. Chable, 80, a life insurance man in Knoxville for 57 years, representing Travelers, died of heart failure. In 1939, in celebration of the 50th anniversary of his agency, his associates paid his way to the World's Fair in New York. Travelers honored him with a banquet at Hartford a few years ago.

David F. Hill, retired assistant secretary of John Hancock Mutual Life, died at St. Petersburg, Fla., at the age of 72. He was a native of Exeter, Me., and had been with John Hancock nearly 50 years.

Clarence E. Arnett, 45, Conneaut, O., district manager of Prudential, died there.

Matthew Kane, Boston manager of Prudential from 1934 until his resignation last July, died in Hartford following several months illness. He was born in Hartford and entered the life insurance in the home office of Phoenix Mutual Life, going from there to Western Union Life in Spokane. He next took charge of the life department of Travelers in Portland, Ore., and later was called to the home office as superintendent of the life change division. He then became secretary of the underwriting department of Lincoln National Life and later went to New York with the Hart & Eubank agency of Aetna Life. He went to Boston in 1930 to open the life department of Johnson & Higgins, general agents of Prudential and was appointed manager of the new direct agency which Prudential established in Boston in 1934.

Harrington Committee's Dates Are Shifted to Dec. 3-5

Because Commissioner Sullivan of Washington, chairman of the National Assn. of Insurance Commissioner committee on fraternal, has canceled his committee's meeting, Commissioner Harrington of Massachusetts has shifted the dates of federal legislation and rates and rating organizations committees, both of which he heads, to Dec. 4-5. Both committees have the same makeup. They will meet at the New York department's New York City office instead of the Hotel Commodore because no space was available at the hotel.

The all-industry committee has also shifted its dates to correspond with those of the Harrington committees.

TO BE CRAVEY'S AID

Hubert McDonald Georgia Deputy for Insurance

ATLANTA — Hubert McDonald of Atlanta has been named deputy insurance commissioner of Georgia by Comptroller General William R. Mitchell, who is filling the unexpired term of the late Homer C. Parker, who died several months ago. The position of comptroller general carries with it by virtue of office, the title of insurance commissioner, but when Mr. Mitchell accepted appointment from Governor Arnall for the unexpired term, running till the middle of next January, he did not appoint a deputy. Mr. Mitchell had served as deputy several years prior to his resignation last year to enter private business. He accepted the position as an accommodation and refused to be considered in the state election for a full term.

Zack D. Cravey, well known in Georgia public life, was elected overwhelmingly to the position of comptroller general. He is a native of Milan in Telfair county, home of Governor-elect Eugene Talmadge, who also takes office the middle of next January. The appointment of Deputy Commissioner McDonald was made in collaboration with Mr. Cravey, being his choice for deputy, and Mr. Mitchell appointed him at this time to enable him to familiarize himself with his new duties.

Long a Bank Examiner

Mr. McDonald is well known throughout Georgia, having served for many years as bank examiner for the superintendent of banks. He was in a key position during the serious banking troubles during the first years of the critical stage from 1930 on through the financial siege experienced for several years. Subsequently Mr. McDonald held a position with the regional office of Reconstruction Finance Corp., with headquarters here. He is considered an excellent choice for the position and his knowledge and familiarity with economic conditions, including many phases of insurance, equip him to handle his new duties.

Discuss Cal. Disability Plan

LOS ANGELES—The California unemployment compensation disability benefit act was discussed at a meeting of

the life insurance committee of the Los Angeles Chamber of Commerce.

Frank M. Keesling, head of the tax department of Loeb & Loeb, attorneys, and Leslie J. Cooper, associate actuary and tax counsel of Pacific Mutual Life, gave a comprehensive outline of the act and its provisions.

It was brought out that the Chamber of Commerce committee on voluntary health insurance had sent out to 9,000 members a four-page informational letter on the unemployment disability fund and its workings, presenting the alternative plans for private insurance and the advantages of the voluntary plans.

Walker Assistant Actuary of Northwestern Mutual

Robert W. Walker, for the last 14 years with the Dominion of Canada insurance department at Ottawa, has been appointed an assistant actuary of Northwestern Mutual Life.



Robert W. Walker

Born in Ottawa, Mr. Walker majored in mathematics at the University of Western Ontario at London, Ont., and after receiving his B.A. in 1932, joined the Dominion department. He is a fellow of the American Institute of Actuaries and Actuarial Society.

Hobbs, Barnes, Moynahan at Tennessee Conference

NASHVILLE — Phillip B. Hobbs, N. A. L. U. president, spoke on "Post-war Essentials" before the mid-year conference of the Tennessee Assn. of Life Underwriters here. E. T. Proctor, Northwestern Mutual, president of the state association, was in charge.

Donald F. Barnes, director of the N. A. L. U. division of veterans affairs, led a discussion on veterans affairs and National Service Life Insurance. John D. Moynahan, Chicago, trustee, addressed the Nashville General Agents and Managers Assn. Attendance was more than 350, with associations at Nashville, Chattanooga, Dyersburg, Jackson, Knoxville and Memphis represented.

Doorways to Prospects by Cagan is a gold mine of practical prospecting plans. \$2.00 from THE NATIONAL UNDERWRITER.

Weigh Atom, Bacteria Workers Risks

(CONTINUED FROM PAGE 3)

person of considerable stability and frequently has bank experience.

Anti-selection against the company is present to considerable degree. A review of the deaths of 13 applicants in such employment, some of whom revealed their true employment at the time of application, showed three suicides, one homicide, two from complicated operations shortly after issuance, four deaths from heart disease, and three within a two-year period. Over insurance is frequently encountered and impairments present. The company in question rates 75% or higher and refuses all disability and double indemnity.

An exaggerated selection may be expected on such risks, a speaker talking on the same type of risks commented. They should be given individual consideration and be preceded by a thorough investigation. His company considers 150% mortality rating low.

Irregular and late hours accentuate the moral hazard of night club risks, a member asserted. It is not a stable business and the club is wont to fold up, with the latest club opened the most in vogue. Proprietors and managers are rated table D and others minimum

table B. Another commented the manager of a small club may act as bartender. His company rates 75 to 100 points above standard and employees 25 to 100 above. Some musicians are accepted at standard.

A speaker said there is a responsibility to offer borderline risks life insurance as long as they pay their own way. His company rejects gambling room employees. The better night club risks are rated 150% to 200%. Night club entertainers are rated 150%. This rating applies to band leaders also and chorus girls are rated 200%.

Another company makes microscopic urinalysis in every case on risks in this group considered and makes a blood study on all cases \$5,000 and over.

Among the participants in the specific discussions were Harold Davies, Equitable Society; W. C. Harrison, New York Life; A. P. Morton, Manufacturers Life; J. Q. Taylor, Northwestern National; Doane Arnold, New England Mutual; R. S. Rust, Jr., Union Central; Morris Pitler, Mutual Life; J. B. Mabon, Sun Life of Canada; W. O. Menge, Lincoln National; T. B. Anderson, Connecticut General; J. C. Archibald, Bankers Life of Iowa; A. Q. Faulkner, Massachusetts Mutual.

INCREASE IS 47%

Percentage Gain in Sales in Oct. Smallest Since Mar.

Life insurance production in October, according to L.I.A.M.A. was \$1,796,548,000, an increase of 47%. This is in contrast to the increases of more than 70% in each of the last three months and is the smallest percentage increase in any month since March.

For the first 10 months production was \$17,731,564,000, an increase of 54%.

Of the October production ordinary accounted for \$1,250,627,000, increase 45%; industrial \$347,220,000, increase 29%; group \$198,701,000, increase 123%. For the year to date production of ordinary was \$12,572,418,000, increase 60%; industrial \$3,336,805,000, increase 30%; group \$1,642,341,000, increase 67%.

Penn Mutual Agency Men in Conference at Hot Springs

(CONTINUED ON PAGE 21)

The good common horse sense of the American people will prevent a runaway inflation Mr. Stevenson declared in his address.

"I see nothing to justify the fear of a runaway inflation," Mr. Stevenson said. "The American people are discriminating buyers and haven't fallen all over themselves to pay increased prices. This is particularly true of the women who are proving that they are still pretty good bargainers. When the story is written on the reasons why we did not have a serious postwar inflation, great credit should be given to the good common sense of the American people. Price controls may be removed but there are still controls on the American pocketbook. The judgment of individuals may exercise controls themselves.

"There are still enough folks who remember the experience after the last war and they are not rushing out to turn dollars into goods at a terrific rate. If it weren't for the very dire necessity for housing, I am sure there would be a lot of houses that couldn't be sold at present-day inflated prices. The people buying the houses, however, are well aware they are going to lose money eventually. The fact they recognize this is all to the good. The situation only becomes really dangerous when people become frightened over the value of their money.

"Regarding GI loans on houses, we in the insurance business cannot stand by and see them exploited and losing money on over-inflated prices. There rests a certain responsibility on us to make fewer loans on the basis of scrupulously honest values so that the GI cannot come back later and accuse us of not warning him sufficiently of these inflated prices. Better to have the GI suffer the temporary discomfort of delay in getting the loan than have him permanently penalized by paying inflated prices now."

Rapp Conn. Bank Manager

HARTFORD—Walter E. Rapp, now executive assistant in the New York savings bank life insurance fund, will come to Hartford as secretary and general manager of the savings bank life insurance fund of Connecticut. He will succeed John P. Royston, now an insurance adviser on Gen. MacArthur's staff in Japan.

Promote Franzese, Eason, Mitchell

Mutual Life has appointed three assistant managers. E. E. Franzese of the Myer agency, New York, will assist in supervising the field organization. W. A. Eason, Nashville, will supervise a group of counties for that office. T. L. Mitchell, Atlanta, will be in charge of a number of counties for that agency.

AMONG COMPANY MEN

Woolery Actuary of Conn. Gen. Names Occidental of N. C.; S. F. Smith V.P., Leaves Union Labor Dawes Asst. Sec.

James M. Woolery has resigned as vice-president and actuary of Union Labor Life, to assume the same office with Occidental Life of North Carolina.

Educated at Transylvania College, University of Kentucky and University of Michigan, Mr. Woolery joined Protective Life in 1925 as assistant actuary. He resigned to accept the same position with Inter-Southern Life in 1926. In 1933 he became actuary for Southeastern Life and then from 1935-37 he was actuary for the North Carolina department. He returned to Protective Life during 1937-38 and from then until 1945 again served as North Carolina actuary.

He is a member of Actuarial Society of America, American Institute of Actuaries and Casualty Actuarial Society.

A. R. Todd to Lamar Life

A. Ralph Todd has joined Lamar Life as manager of the underwriting department. He has been with Lincoln National 20 years and is a graduate of Furman University.

Upton Managing Director

Alfred S. Upton, general manager of Dominion Life, has been elected a director and will become managing director.

Frederick Johnson, president of Bell Telephone Co. of Canada, has been elected a member of the board of Sun Life of Canada.

Connecticut General has named Stuart F. Smith vice-president, and Henry Dawes assistant secretary.

Mr. Smith was born in Sioux City, Ia.,



STUART F. SMITH

and was educated in the commerce school of the University of Pennsylvania. In 1924 he became Connecticut General representative in Akron, O., becoming the company's leading agent in his third year. Early in his career he became a life member of the Million

Dollar Round Table, the first in the company to so qualify.

In 1932 Mr. Smith was appointed manager at Pittsburgh. In two years he boosted the agency from 23rd to sixth place in the company. Mr. Smith became manager at Philadelphia in 1934.



HENRY DAWES

Under his direction this agency has won the award for all-round performance nine times since 1936, and has led all others for nine consecutive years. Mr. Smith will assume his new position on Jan. 1.

Mr. Dawes was born in Washington, D. C., and graduated from Williams College in 1928. He spent the next several years as secretary to the ambassador to England. Following a year with R.F.C. in Washington, Mr. Dawes joined Kansas City Southern railroad in sales and personnel work.

In 1942 he enlisted in the army and as a lieutenant colonel was labor and liaison officer for the Iranian state railway.

Mr. Dawes is a nephew of former Vice-president Charles G. Dawes.

Wis. National Officers Assume New Duties

Robert P. Boardman, who succeeds his father, Gen. C. R. Boardman, as

president of Wisconsin National Life, is a University of Wisconsin graduate. His business career began with the Oshkosh Trust & Savings Co., mostly in trust management. He was a first lieutenant in the army overseas in the first war, and holds a permanent commission as lieutenant colonel in the infantry reserve.

He joined the Wisconsin National as executive vice-president in 1945, after having served on the board since 1942.

G. A. L'Estrange, vice-president and agency director, who succeeds Gen. Boardman as a director, is a graduate of Marquette University. He entered the life business as a claim adjuster in 1920 and joined Wisconsin National in 1936 as manager of the accident and health department. He became vice-president and agency director in 1942, continuing as manager of the A.&H. department.

Allen C. Eastlack, actuary, who now becomes vice-president and actuary, has been a member of the board since 1938. He joined the company in 1929 and

has served as chief underwriter in the life department for many years.

F. J. Rueping has resigned from the



G. A. L'Estrange



A. C. Eastlack

board after 28 years. He is succeeded by Clayton F. Van Pelt, president of the Rueping Leather Co. of Fond du Lac.

Two Assistant Medical Directors for Great-West

Dr. W. F. H. O'Neill and Dr. F. Hartley Smith have been appointed assistant medical directors of Great-West Life.

Dr. O'Neill graduated in 1937 from Manitoba Medical College. Following a successful private practice, he served in the Canadian army medical corps in England, France, Belgium and Holland, becoming deputy assistant director of medical services of the first Canadian army. He was awarded the certificate of merit and was created a member of the Order of the British Empire. He retired from active service with the rank of major.

Dr. Smith graduated from the Manitoba Medical College in 1929, carried on research in blood diseases at St. Boniface Hospital, under a grant from the Banting Research Foundation; did post-graduate work in London, Edinburgh.

GIVE US THIS DAY—

Thanksgiving Day, that we may be thankful we are a free people and know the blessings of a productive land.

Give us this day that we may pay tribute to those pioneers who suffered every hardship to hew our country from the wilderness and give to us a freedom known to no other people of the world.

Give us this day that we may continue to build a life insurance business second to none in integrity, reliability and serviceability.

If you are interested in the profession of Life Underwriting, you will find it pays to be friendly with the—

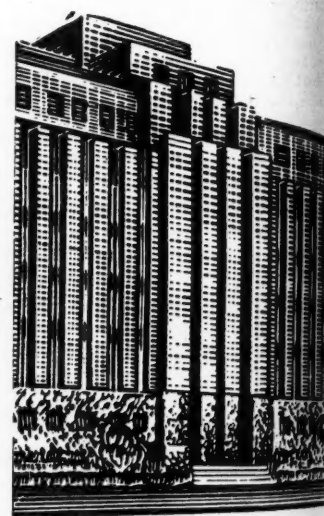


PEOPLES LIFE INSURANCE COMPANY

"The Friendly Company"

FRANKFORT

INDIANA



BANKERS Life COMPANY
DES. MOINES



R. P. Boardman

American
the law
& Fleur
company
rector an
committe

McHale
Am. N

Americ
regional
agencies.
J. F. M
ordinary
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pervision

New York and Toronto. He also served in the Canadian army medical corps, commanding No. 1 Motor Ambulance Convoy, the Third Field Ambulance and later an army convalescent center at Huntingdon, Que. He retired with the rank of lieutenant colonel.

Robertson President of North American Life of Canada

Norman S. Robertson has been elected president of North American Life of Canada to succeed the late D. E. Kilgour. W. M. Anderson, general manager, has been elected to the board.



N. S. ROBERTSON

Mr. Robertson is senior partner of Robertson, Fleury & Lane, Toronto law firm.

Mr. Robertson is a graduate of the University of Toronto. He joined North



W. M. ANDERSON

American Life in 1928 as a member of the law firm of McMaster, Montgomery & Fleury Co., then solicitors for the company. In 1941 he was elected a director and was appointed to the finance committee.

McHale and Reeves Get New Am. National Assignments

American National has appointed two regional superintendents of industrial agencies.

J. F. McHale has been advanced from ordinary director to regional superintendent and he will now have direct supervision of the eastern industrial agen-

cies. He started 14 years ago with American National.

H. E. Reeves, who has recently returned from military service, has been appointed regional superintendent industrial agencies, west coast division. He started with American National in 1928, and has made an outstanding record in every position he has held in home office and field.

7 Prudential Ass't Ordinary Managers to Home Office Jobs

Further to augment the personnel structure of its ordinary agencies department and field training division, Prudential has transferred seven field representatives to the home office. Four of them will assist in directing the operations of the field organization as members of the ordinary agencies department and the other three will be associated with the field training division.

These men, assistant managers in ordinary agencies, are Howard Austin, Jr., Donald O. Cramer, Edgar L. Laney, E. Richard Turpin, Henry F. Tyndall, Carrol B. Wright, and William E. Young.

Tyndall, Austin, Cramer and Laney are to be assigned to the ordinary agencies department. Tyndall receives the title regional manager; Austin, Cramer and Laney will be designated associate regional managers.

Tyndall's Prudential service dates from 1929 at which time he was appointed a home office representative in the group department. In 1939 he was appointed an assistant manager at Wheeling, W. Va. and later transferred as assistant manager to Pittsburgh. During the war he served in the navy as a lieutenant in the anti-submarine warfare operations, eastern sea frontier. Upon his return to Prudential, he was transferred to the Newark ordinary agency.

Austin has been at Kansas City. He has been with Prudential since 1938, except for a period of military service as a naval lieutenant. Cramer became a Prudential special agent in 1937. He has served successively as agency assistant and assistant manager at St. Louis. Laney's association with Prudential dates from 1941. He also saw service in the navy. He has been at Jacksonville.

The men assigned to the field training division of which John F. Ekdahl is director, will work with Leroy N. Whitelaw, assistant director in charge of the expanded training program for the ordinary agencies which was initiated a short time ago.

Turpin has been associated with the Oklahoma ordinary agency since 1942. He has been an assistant manager since 1944. Wright, who was a teacher before joining Prudential as a special agent in 1944, has been an assistant manager at Jackson, Miss., since 1945. Young, appointed a special agent in 1942, was advanced to assistant manager at Toledo shortly after his return from military service in 1946. While in the navy, he served as a disbursing officer with the rank of lieutenant (j.g.).

Directors of Pacific Mutual Life have appointed Assistant Secretary Elmer C. Potter custodian of the securities of the company.

Dates for M.D.R.T. Meet

The Million Dollar Round Table will hold its 1947 meeting at the New Ocean House, Swampscott, Mass., Sept. 5-9, preceding the National Assn. of Life Underwriters annual convention, to be held in Boston the week of Sept. 8. M.D.R.T. reservations are being handled by Harold S. Parsons, chairman, 510 West Sixth street, Los Angeles 14.

LIFE AGENCY CHANGES

Occidental Opens New Cleveland and Detroit Offices

Harry C. Pollock has been appointed manager of Occidental Life's new branch office in Cleveland. He has been agency supervisor and assistant manager of Penn Mutual in Cleveland since 1936. He served in the marine corps as a lieutenant.

He is a trustee and past president of the Junior Chamber of Commerce in Cleveland.

Occidental has established a second office in Detroit, headed by Grant M. Hudson, Jr. The Lanphar Agency, which was installed as an Occidental agency in 1941, will continue.

Mr. Hudson joined Occidental in 1938. In 1943 he entered the navy, taking a leave of absence from his post of manager of the life department for Lanphar. He was released from service last January as a lieutenant.

He is a son of Grant M. Hudson, Sr., Occidental agent at Grand Rapids.

Anderson to Tex. Post; Mulligan Minneapolis Head

A. D. Anderson, former manager of Occidental Life in Minneapolis, has left that position to become home office supervisor for Texas. He is succeeded by John Norval Mulligan, former supervisor for Aetna Life.



J. N. MULLIGAN

Mr. Anderson, who is now in San Antonio, left Minneapolis because of illness in his family which necessitated a change to a warmer climate.

Since he joined Occidental in 1940, after 15 years of successful sales and supervisory work, Mr. Anderson has become widely known for his ingenious development of ideas, Mr.

GENERAL AGENCY OPENINGS

in

Northern Ohio

Southern Ohio

Western Michigan

Western Tennessee

Territory also available in other states

☆ ☆ ☆

Complete Home Office Cooperation
Liberal Agency Contract

Policies issued from ages one day to sixty-five years

Company in 53rd Year of Dependable Service

☆ ☆ ☆

THE STATE LIFE INSURANCE COMPANY

Indianapolis, Indiana

MUTUAL LEGAL RESERVE FOUNDED 1894

fore becoming Minneapolis manager in August, 1945, he was superintendent of Occidental's accident and sickness sales and during his supervision Occidental's premiums in that field were virtually doubled. Previously he had been for many years with the accident and health department of Continental Casualty.

A native of St. Paul, "Norvy" Mulligan has been with Aetna Life at Minneapolis for 11 years, the last six as supervisor. While with Aetna he was a member of the Leaders Club for nine years and has been an app-a-week producer for eight years. Before entering insurance he was an orchestra leader in the Twin City area.

Continental American Names Mabee at Buffalo

Continental American Life has appointed Marcus R. Mabee manager at Buffalo. He has had 20 years experience with ordinary agencies of Prudential as special agent, assistant manager and manager in Albany and Buffalo. He is a past president of the Albany Life Underwriters Assn., Albany General Agents & Managers Assn., Eastern New York Life Insurance & Trust Council, was vice-president and secretary of the Albany C.L.U. chapter, national committeeman and former director of the Buffalo association, and chairman of the educational committee.

Mr. Mabee attended the University of Michigan and is a veteran of the first world war. He received his C.L.U. designation in 1939 and attended the Research Bureau school of management in 1934.

Ervin to San Antonio

Ed P. Ervin, with Prudential at Fort Smith, Ark., for 11 years, who served in the infantry for more than three years, being discharged with the rank of captain, has been appointed assistant agency manager at San Antonio.

Leivestad Named at Des Moines

Henry Leivestad has been appointed manager at Des Moines for New York Life. Mr. Leivestad has been assistant to the vice-president in the agency department and now returns to active field management.



HENRY LEIVESTAD

Mr. Leivestad is a graduate of the University of Minnesota. He joined New York Life at Minneapolis and became assistant manager there, later being manager at Fargo. From 1931 to 1943 he was manager at Madison, Wis., then going to the home office.

Bauer to St. Louis for 'Pru'; Lupton to East St. Louis

Heinrich C. Bauer has been promoted from an assistant district manager for Prudential at Kansas City to manager of district 5 at St. Louis.

Glenn E. Lupton has been transferred

from Mattoon, Ill., where he has been assistant manager, to East St. Louis, Ill., as manager.

Mr. Bauer started as an agent in district No. 3 at Kansas City in 1935. Three years later he was advanced to assistant district manager, and has remained in that capacity ever since. He is a graduate of Northwestern University and is a C.L.U.

Mr. Lupton started with Prudential in 1930 at Danville, Ill. Four years later he was made assistant manager of the Mattoon detached office. He is president of the Kiwanis Club of Mattoon and a member of the board of education and is secretary of the Eastern Illinois Life Underwriters Assn.

Hall to Corpus Christi Post

Volunteer State Life has appointed W. C. Hall as general agent at Corpus Christi.

Mr. Hall joined Volunteer State on July 15 of this year and has made an exceptional record. His father is C. G. Hall, Volunteer State manager at Port Arthur.

Name Lester at Little Rock

Security Life & Accident has appointed William V. Lester agency manager in Little Rock. Mr. Lester, a war veteran, who has lived in Little Rock for several years, has had considerable life insurance experience.

United Enters Texas

United of Chicago has established its first office in Texas at Dallas and will open district offices in major Texas cities in the near future. E. A. Rees is division manager and J. D. Little his assistant.

Miles Named at Abilene

Ted Miles has been named assistant manager of the Abilene, Tex., office of Prudential, a branch of the Fort Worth ordinary agency, headed by J. A. McCelvey, which will cover 17 counties of west Texas.

A native Texan, Mr. Miles was in the oil business prior to the war. In 1942 he joined the army air forces and, after winning his wings, served as pilot and instructor in navigation. After his discharge from the service he organized his own insurance agency in Stamford, Tex.

Pearson Back in Kansas City

Sam C. Pearson, Jr., has returned to the Kansas City agency of Northwestern Mutual Life after 40 months' service in the south Pacific. In his first seven months he has produced over \$250,000 of business, mostly on tax and business insurance cases.

His father, who recently was succeeded as general agent by E. A. Hasek, remains active in the business, but has given up the duties of general agent.

Carlson Named by Acacia Mutual

Maurice Carlson has been appointed manager at New Orleans for Acacia Mutual Life. Mr. Carlson was formerly manager at Memphis and two years ago went to the home office as a field supervisor.

Names Two Unit Managers

William H. Dunkak, San Francisco manager Acacia Mutual, has appointed Frank R. Prior unit manager at San Jose and Karl A. Vandebrooke unit manager at San Francisco. Both men have been personal producers for some time.

Miss Groell Brokerage Manager

NEWARK—William R. Beardslee, newly appointed general agent at Newark of Lincoln National Life, has appointed Miss Lorraine B. Groell brokerage manager for the agency. She has been with the agency more than 20 years.

MANAGERS

Chicago Supervisors Elect Keller; Pendleton Speaks on Recruiting, Training

Mathew Keller of W. A. Alexander & Co. was elected president of the Life Agency Supervisors' Club of Chicago at the annual meeting last week. New vice-president is A. J. Kirchberg, Connecticut General; secretary-treasurer is Arthur Johnson, Penn Mutual. New directors are Carl Lindstrom, Travelers, retiring president; Sam Block, Equitable Society; and George W. Steiner, Lincoln National.

Rice Pendleton, assistant superintendent of agencies for Travelers, was speaker. Mr. Pendleton discussed "What's Ahead in 1947?" and prophesied a big growth for the business over the next two years because the public has seen life insurance action and has made it a necessity.

Reviewing how government life insurance promoted the business after the first war, Mr. Pendleton said that N.S.L.I. has educated the next generation. He declared that there is a big difference in lapse ratios between private insurance and N.S.L.I. While \$10 billion has gone off the government books, private companies lost only \$500 million over the same period. This is attributable to lack of service that is achieved through the initiative of agents, Mr. Pendleton asserted.

New agents are the life blood of the business, he said, but in the past there has been too much failure in training and selection.

A supervisor has a great responsibility to the new man and to the business. Training should start immediately, Mr. Pendleton stated, because without it both the new man's time and that of the company are being wasted. There will be a good field for recruits growing steadily in the next few months. These men will come from servicemen who have returned to their old jobs and become dissatisfied.

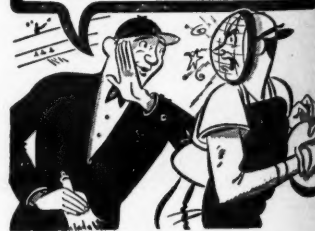
It was decided to hold the Christmas party Dec. 9 at the Electric Club.

Notable Program at Detroit Management Conference

Life General Agents & Managers of Detroit, Inc., resumed Tuesday their pre-war annual conference, to which all general agents and managers in Michigan were invited.

At the morning session Fred A.

WHAT ABOUT THIS LOW-COST ECONOMASTER CONTRACT GENERAL AMERICAN LIFE WRITES?



Only \$22.99 per thousand, at age 35, and current scale dividends reduce premiums to an average annual \$18.23 per thousand over a 20-year period. It's amazing. Imagine such a low cost contract with FIRST YEAR dividends and SECOND YEAR cash values.

Write for full particulars on the Economaster.

GENERAL AMERICAN LIFE INSURANCE COMPANY

WALTER W. HEAD, Pres.

St. Louis, Mo.



No, We Steal No Agents,

but we've been accused of it. It's all in the point of view. Our Agency Department believes the determining factor is whether or not a man improves his condition by making a change. We've turned down some mighty good men who mistakenly believed they would better themselves in our service. And we've been criticized for promoting other men who indisputably would make more money with us. And sometimes be lots happier. You can verify this from any Western Life agent. We have never been interested in men who rub out their obligations.

A few openings in California, Oregon, Washington, Montana, Idaho, Utah and Wyoming for men who can qualify. Check our Financial Statement and our 36-Year record of progress.

WESTERN LIFE INSURANCE COMPANY

HELENA

Since 1910

MONTANA

Assets \$24,312,324

Surplus to Policyholders \$2,900,000

Insurance in Force \$108,574,644

(August 31, 1946)

R. B. RICHARDSON
President

LEE CANNON
Agency Vice President

Smart, Detroit general agent of Equitable of Iowa, presented his methods of contacting new men, and Steele MacKenzie, superintendent of agencies of Dominion Life, spoke on "The Future Challenges Life Insurance Management."

Following the luncheon, round table discussions were conducted under the supervision of Edward J. Dore, Berkshire Life; George E. Lackey, Massachusetts Mutual; Cyril F. Grein, Union Mutual; Bill A. Schauer, Penn Mutual; Frank W. Simpson, Dominion Life; Frank Klingbeil, Prudential, and Ray Wertz, Reliance Life. Topics included means of helping agents with prospecting problems, the pros and cons of publishing agents' records of written and paid, of memorized and illustrated sales talks, of successful sales contests, of selection tests and their accuracy.

In the afternoon Clarence Pejeau, Massachusetts Mutual, Cleveland, discussed "Reviewing the Established Agency" and Fred G. Holderman, Jr., Equitable Society, Peoria, Ill., spoke on "Building Organization."

L. A. Managers Hold Joint Meeting with Supervisors

The Life Insurance Managers Assn. of Los Angeles held a joint meeting with the Life Agency Supervisors Assn. on "The Importance of the Supervisor's Work in Building and Maintaining a Successful Agency."

Robert L. Woods of Massachusetts Mutual, summarized the objectives of the supervisors association. S. I. Snortum, Equitable Society, gave a humorous and at the same time instructive talk on "How I Function as a Supervisor." He said everything is done without thought of personal gain, every effort is made to keep up production and to help men fit into positions in the agency or elsewhere. Development of self-reliance in the producer is a prime object, and the development of the agent has as its object that he become a C.L.U.

Leon A. Soper, manager of Phoenix Mutual, discussed "What a General Agent or Manager Appreciates in a Supervisor." He said the supervisor plays a big part in the recruiting of new men and aids in maintaining a fine balance; he is the one who has a check on the training of the new man and can make him see his opportunities. Training after 10 days still is a matter of recruiting, and the supervisor is the first man to make the trainee see the opportunities in the business.

Agents Tell Utah Managers What Is Expected of Them

Three field men were speakers at the November meeting of the Utah Life Managers on "What I Expect from My Manager." Ned M. Nelson, Beneficial Life, referred particularly to "agency activities, which have a tendency to stimulate my mental attitude." Wilmer Norton, Bankers Life of Iowa, stressed company training procedure. Kenneth S. Anderson, Metropolitan Life, discussed the "professional aspect of the agent." All touched on joint work with their managers, and the necessity of manager-agent relationships. Also all were agreed that "one of the most important contributions made by a manager to his agents is in helping them over difficult spots, and offering a few words of encouragement when production slumps."

Clinic at Long Beach

The Long Beach (Calif.) Life Managers Assn. held an agency management clinic a few days ago at which A. W. Robinson, Metropolitan Life, and L. H. Brinkman, New York Life, discussed "Recruiting and Training," and Norman D. Costuma, John Hancock, and C. L. Forman, Lincoln National, talked on "Training and Supervision." Webb J. Correll conducted a half-hour question period.

Walter G. Gastil, Connecticut Gen-

eral Life, Los Angeles, talked on "Building and Maintaining Agency Morale."

Beware Overconfidence

"The accent today is on professional methods in life underwriting, and it is the responsibility of agency management to furnish inspiration, education on current procedures and leadership toward this trend," according to Roger Bourland, vice-president of the Rough Notes Co., before the Indianapolis General Agents & Managers Assn.

In this period of phenomenally high sales, management must strive to prevent agents from falling into unsound work habits, he warned, and guard against law habits in the agency itself.

Cashiers Battle on Air

The Life Agency Cashiers Assn. of San Francisco has selected its team to compete with a similar team from Los Angeles on the "Quiz of Two Cities" program over Station KFRC Nov. 23 at 7 p. m.

Elect in St. Paul Nov. 25

The St. Paul Managers and General Agents Club will hold its annual meeting Nov. 25.

Hear Business Bureau Man

How the Better Business Bureau protects the citizens of the community against deception and fraud will be explained to the Milwaukee Life Managers & General Agents Assn. Nov. 29, by Richard Jordan, manager of the Milwaukee B.B.B. Jack Windsor, Connecticut General, association president, has appointed a nominating committee which will report at this meeting.

RECORDS

FRANKLIN LIFE—Sales for the first 10 months exceeded \$126 million, representing a total greater than that recorded for the previous 26 months and an increase of 109% over the first 10 months of 1945. October production of \$14 million was 81.4% ahead.

Premium income for the 10 months showed of 75.5%. Assets exceed \$90 million.

During November there is a campaign for President C. E. Becker, whose birthday anniversary is Nov. 13. The goal is \$16 million.

NORTH AMERICAN LIFE, CHICAGO—In a 37-day campaign for President C. G. Ashbrook sales totaled \$3,300,000, which far exceeded any previous president's month endeavor. Each year the campaign period is extended one day to represent the extra year of Mr. Ashbrook's association with the company. He is now a 37-year man. The Illinois Boosters agency at Peoria was the leader with \$600,000.

PILOT LIFE—At the end of October, insurance in force amounted to \$342,492,244. This is a gain of 28% over amount in force at the end of 1945. Total gain for the first 10 months of 1946 amounted to \$45,343,208.

FARM BUREAU LIFE, O.—The 10th anniversary contest held during October in Rhode Island, Connecticut, Vermont, Pennsylvania, Virginia, and the Carolinas, resulted in production of \$12,972,937, a gain of 56.4% over the ninth anniversary contest.

Production for the first 10 months compared with the same period in 1945, showed a total of \$59,578,585 of new business, a gain of 63.4%.

EQUITABLE OF IOWA—Paid total for this year to date is \$97,426,324, a gain of \$39,823,308, or 69.1% above the same period last year.

October paid production was \$11,012,954, a gain of \$2,759,396 or 33.4% from October last year. Life insurance in force in October gained \$8,647,325 and the 10 month increase is \$73,886,145. In force total as of Oct. 31 is \$818,666,565.

Jaqua Honored at Dallas

A. R. Jaqua, new director of the life insurance marketing course at Southern Methodist University, was guest of honor at a dinner this week at Dallas, given by the faculty and students of the insurance course.

S. J. Hay, president Great National Life, extended greetings to the managers and company executives, and Dr. L. H. Flack, dean of the business school, spoke for the faculty.

COMPANIES

United Benefit Notes First \$500 Million; Plans New Home

Dr. C. C. Criss, president of United Benefit Life, has announced that the company in the 20 years since its founding now has more than \$500 million in force. This achievement has never been equalled in the life business over a 20-year period, he stated.



C. C. Criss

Dr. Criss noted that United Benefit is licensed in 48 states, Alaska and Hawaii. It is one of eight life companies licensed and doing business everywhere in the country.

It has 17 branch offices and more than 12,000 licensed salesmen, and he said they have been responsible for doubling the insurance in force every five years.

Commenting on unusual contracts available, Dr. Criss noted the recently

issued "polio" policy, providing up to \$5,000 for treatment of poliomyelitis.

United Benefit Life and Mutual Benefit H. & A. have moved three times since 1926 to larger quarters. Occupying a practically new six-story home office building in Omaha now, ground has already been broken for a nine-story addition, more than tripling the floor space available.

Old Republic Credit May Increase Its Capital

Stockholders of Old Republic Credit Life of Chicago last Friday voted in favor of a program of new financing, but the final decision will be made by the directors Dec. 18. Tentatively the program involves the sale of 60,000 additional shares to present stockholders at \$3 a share. The par value of the shares would be increased from \$1 to \$1.50 and this would result in fixing capital at \$540,000. The net surplus would then be about \$300,000.

At present the capital consists of 300,000 shares of \$1 par.

Having Its Largest Year

Old Republic is having by far the largest year in its history. Its sales already exceed \$100 million and the total for the year may reach \$125 million. The previous high record was in 1945 when the sales totaled about \$80 million. Old Republic confines its business to insurance on the lives of borrowers from industrial banks, personal



We don't find it difficult to put ourselves in the place of our agents. Many of us; executives, supervisors and office workers have sold in the field or worked with agents. New men being groomed in the home office will sell in the field before assuming responsible jobs here. We appreciate the importance of the agent and we insist that our staff keep informed of his problems so that we can help him more efficiently. That's our most important job.

LIFE INSURANCE BEGINS WITH THE AGENT!



Central Life ASSURANCE SOCIETY
(NOTUAL) of Iowa

loan companies, auto finance companies, etc.

Larcom to John Hancock

John Hancock Mutual Life has appointed Dr. Rodney C. Larcom, Jr., an assistant medical director. He recently completed service in the army medical corps. He graduated from Bowdoin College in 1936 and from Harvard medical school in 1940.

O. K. West Coast Increase

Stockholders of West Coast Life have approved a 33 1/3% stock dividend proposed by the directors. This will increase the capital to \$500,000 and new stock will be issued one for three.

North American Life & Casualty has been licensed in Iowa.

ACCIDENT

Seattle and Portland A. & H. Clubs Hold Joint Meeting

The members of the Portland (Ore.) Accident & Health Managers Club were the guests of the Seattle club at a joint meeting held in Centralia, Wash., about midway between the two cities with 25 members of the two clubs in attendance.

John E. Barry, manager of Occidental Life at Portland and Walter R. Hoeflin, general agent of Pacific Mutual Life at Seattle, were the principal speak-

ers in a round table discussion of "Public Relations." Dwight Mead, Pacific Mutual, Seattle, acted as master of ceremonies.

E. H. O'Connor, manager and director of the Economics Society, gave a 45 minute talk on "Trends of Social Security." During that part of the meeting the newly elected state senators and representatives of southwestern Washington were in attendance.

A social hour followed the business session.

F. E. Smith Is Secretary Assoc. Medical Care Plans

At a meeting of the commission of Associated Medical Care Plans at the American Medical Assn. headquarters in Chicago, Frank E. Smith, former manager of the department of professional relations of California Physicians' Service, was named full-time executive secretary of that recently created medical association subsidiary. Mr. Smith and his staff will maintain their offices in the Chicago headquarters.

Blue Cross Hikes Rates

The Chicago Blue Cross Plan for Hospital Care has increased its rates. For a single member only the charge is 90c a month as compared with 80 cents in the past, and for a member and full family protection the premium is \$2.50 a month as compared with \$2. The management states that it has stretched the premium dollar every way possible, but it still won't cover present day costs.

For several months the plan has been absorbing deficits out of reserves and time has come to take steps to preserve an adequate reserve.

Rauwolf Asst. to President

S. Robert Rauwolf, who has been agency director, has become assistant to the president of North American Accident. He has spent his entire business career in the home office of North American, having begun his association with the company 23 years ago. He has been in charge of the public relations program and agency development work.

"Counsellor" Is Agent

TORONTO—Superintendent Whitehead of Ontario has issued a warning to Ontario citizens that American Farmers of Phoenix, Ariz., has no license to solicit insurance in the province.

Mr. Whitehead stated he had received inquiries concerning the company. The report is that it has been advertising in Ontario newspapers for representatives to be known as "membership counsellors."

Anyone using the company forms given such "counsellors" to solicit membership would be acting as an insurance agent and would be guilty of an offense under the insurance act, Mr. Whitehead said.

Claim Assn. Sets 1947 Date

Following a meeting of the executive committee of the International Claim Assn., President James N. Cunningham announces that the next annual meeting will be at New Ocean House, Swampscott, Mass., Sept. 15-17, 1947.

SALES MEETS

N. E. Mutual Cal. Meeting Winds Up Regional Rallies

New England Mutual Life general agents and associates from the two Los Angeles agencies, San Francisco, Oakland, Portland, Ore., and Seattle attended a regional meeting in Riverside, Cal., the final one of the series held throughout the country, with 144 in attendance.

President George W. Smith, Vice-president George L. Hunt, Medical Director H. M. Frost, Actuary John L. Stearns and Agency Secretary Charles F. Collins were home office personnel in attendance who conducted the two day sessions.

Following the regional meeting, each of the agencies held its own meeting with one or more home office representatives present to participate in discussions and answer questions.

At the final luncheon President Smith spoke on general conditions in the business.

Boston Mutual Seminars

The second of a series of regional seminar meetings of Boston Mutual Life was conducted last week. President Jay R. Benton and Edmund M. Wright, superintendent of agencies, led district meetings at Lynn, Salem, Gloucester, Haverhill, Lawrence, Lowell and Manchester. All officers and agents met for a general meeting at Andover Inn on Nov. 21.

Montana Agency Parley

A statewide meeting of the Montana agency of Bankers Life of Des Moines, the first of such an ambitious scope since E. H. Trandum became agency manager in 1943, was held at Billings. W. F. Winterble, agency vice-president, represented the head office.

General Agents Body Meets

The executive committee of the Provident Mutual General Agents Assn. held a three day session at the Edgewater

Beach hotel, Chicago, at the time that the L.I.A.M.A. was holding forth there. Seven of the eight members were present and Willard Ewing, Chicago, took the place of Clancy Connell of New York, who could not attend. Hobart Brake, Sioux City, Ia., the chairman, was in charge.

NEW YORK

TO GIVE FIVE COURSES

The life insurance committee of the Insurance Society of New York announces that classes began Monday. The five courses will prepare candidates for all of the examinations of the Insurance Institute of America or Life Office Management Assn. Institute examination.

The courses include the principles of life insurance, agency organization functions and practices, calculation of premiums and reserves, life insurance accounting, governmental regulation and taxation, life insurance investments, selection of risks and the legal aspects of life insurance. They are not designed for agents.

NEW PERSONNEL SERVICE

J. Owen Stalson Co., management consultants, New York, has added a life insurance executive selection service to its management services, making it available to companies and personnel countrywide. Fees and expenses will be charged to the companies and not to the personnel selected.

Dr. Stalson is author of "Marketing Life Insurance—Its History in America." He is a former general agent of Home Life of New York and much of his work at Harvard graduate school of business was devoted to life insurance.

SILEX CO. GETS LOAN

The Sillex Co. of Hartford has obtained a 15 year 3 1/2% loan of \$1,250,000 from Mutual Life. Proceeds are to be used to retire outstanding funded debt and to provide funds for additional working capital and plant facilities.

The Buda Co. has sold a 15 year 3 1/2% sinking fund note in the amount of \$3 million to Mutual Life. Proceeds are to be added to working capital.

PRESIDENTS' DINNER DEC. 12

The New York City Life Managers Association will hold its annual dinner in honor of the presidents of the life companies Dec. 12 in the Sert Room of the Waldorf-Astoria. Cocktails will be at 6:30, dinner at 8, followed by a program of entertainment put on by stage and radio stars.

EVANS AGENCY LEADS HOME LIFE

The John H. Evans agency, New York City, led all agencies of Home Life of New York for October, after having also been the No. 1 agency for September. It stands second for the year to date. The agency started from scratch May 1, 1945, and is entirely on a full-time basis. Leading producer Charles Steinhof, who has been in the life insurance business only three years



The Boston Mutual Life Insurance Co. Fifty-fifth Year of Service to the People of New England.

Complete Protection

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• Accident
• Health

• Annuities
• Hospitalization
• Group

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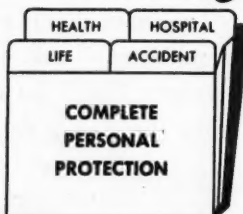
KANSAS CITY, MISSOURI

W. T. GRANT
Chairman

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Do You Sell a COMPLETE Package?

If not, you are missing extra sales, extra income. This Company's kit includes complete personal protection for men, women and children... Life, Accident, Health and Hospital... the kind to round out your services. Here is a golden opportunity for you.



FEDERAL LIFE AND CASUALTY COMPANY

DETROIT 2, MICHIGAN

40th ANNIVERSARY YEAR

NEWS OF LIFE ASSOCIATIONS

Brave Blizzard to Greet Rutherford at Denver

DENVER—Despite the worst blizzard in 33 years which blanketed most of Colorado, a large number of agents were on hand to greet James E. Rutherford, executive vice-president of N.A.L.U., when he spoke here. Officers and directors from Cheyenne, Colorado Springs, Albuquerque and Denver participated in the conference.

Edward G. Thomas, John Hancock, president of the Colorado association, presided.

Discussants included V. E. Van Leuven, president Denver association; A. L. Larson, president Quarter Million Club of Colorado; C. Earl Davis, chairman Denver legislative committee.

O. K. Johnson, Business Men's Assurance, president of the Albuquerque association, represented New Mexico and Edith M. Townsend, secretary of the Wyoming association, officially represented that state.

J. Stanley Edwards, Aetna Life, past president of N.A.L.U., introduced Mr. Rutherford at the luncheon meeting.

Denver was the last city visited by Mr. Rutherford on his swing from the coast and before his return to New York.

MO. CONFERENCE AT SEDALIA

The Missouri conference will be held at Sedalia Nov. 22-23. William M. Wildeboer, Metropolitan Life, Jefferson City, is president of the Missouri association, which will hold short business session Nov. 22. Judd C. Benson, Union Central Life, Cincinnati, trustee; H. A. Hedges, general agent, Equitable Life of Iowa, Kansas City, past president, and Wilfrid E. Jones, director of publications, will represent N.A.L.U.

TWO-STATE LINCOLN RALLY

A two-state meeting for South Dakota and Nebraska was held in Lincoln, Nov. 18-19. Leaders were Mr. Benson, Mr. Jones, W. A. Fraser, Lincoln, Nebraska state president; Earl Flanagan, Huron, South Dakota state president; Will F. Noble, Omaha; A. W. Palm, Huron, S. D., and Burkett L. Pribble, Sioux Falls.

Canadian Company Men Are St. Louis Assn. Speakers

George Dunbar, superintendent of agencies, Mutual Life of Canada, and A. Gordon Nairn, executive vice-president Life Underwriters Assn. of Canada, were speakers at a meeting this week of the St. Louis association.

Mr. Dunbar commented that the present high sales level is bound to taper off in the next year or so. The underwriter must design a program to meet a changed sales situation.

He said that many of the most successful agents are low pressure men. They make the most of pre-appointment letters and in placing business, always endeavor to solve some specific problem of their insured. Monthly income settlements are invariably the rule of these men, Mr. Dunbar said, because they realize that such a plan is a definite economic factor.

Mr. Nairn warned the agents that in order to beat a more competitive market, they must build a permanent clientele. They should be favorably and well known among their own life insurance associates in their community, as well as with the public. He advised the use of personal telephone calls and good letter writing as a part of prestige building.

Frank M. See, general agent New England Mutual, introduced the speakers. Mr. See has made a tour of Canada and he was presented a book of personal letters in appreciation of his work. James C. Greene, associate general agent, Lincoln National, president, was in charge of the meeting.

Newcomers Present Slants for Oklahoma City Assn

The old story was attacked from a new angle at the meeting of the Oklahoma City Assn. of Life Underwriters, when two new agents presented their selling ideas. Both are veterans who have made excellent production records.

M. P. Massad, for one year with the New York Life, contended that the outstanding factor that makes for success is planning and the ability to accomplish the desired end. Referring to prospecting he said, "All I want is a man who has a problem to solve. If he has money he has a problem because of it. If he has no money, his problem is equally important."

He said most people know they need life insurance, but are afraid if an agent gets to them, they'll buy. They have a fear of being worried to death with subsequent calls and proposals. "To dispel this I promise in my letters and calls, that I will make no effort to sell anything at the first interview and after that, I will not contact the prospect again unless he himself requests it."

Shaw's Comments

Charles C. Shaw, Mutual Life, who entered the business six months ago, cautioned against wasting time on people who are not actually prospects. He encouraged developing the ability to determine who is a prospect. He advocated continuous effort to become more skillful in uncovering a situation which indicates a definite need for some particular plan.

The speaker said prospecting can and should be developed as a habit. "Insofar as my overall operation is concerned, one of the strongest incentives I have found is to establish in my own mind, a definite objective for the week," he said.

"I spend a couple of hours each night listing names of those I want to see next day. I think their problems and in my own mind conduct interviews with them and close the deal."

Los Angeles Caravan Setup

The itinerary of the 1947 caravan of the Life Underwriters Assn. of Los Angeles, under the supervision of the California association, includes Bakersfield Jan. 14, Burbank Feb. 7, Pasadena March 7, Santa Monica April 4, San Diego May 2 and Los Angeles May 21.

Arizona Assn. Activities

The Arizona associations are leading the campaign for the community chest in their area. In Phoenix they are undertaking to solicit and organize the complete field of commerce and industry, led by Joseph B. Love, association president.

In December the association will present to organizations in the state the Institute of Life Insurance film, "The Search For Security." It will be shown in high school and college assemblies.

Join Lawyers in Seminar

A joint seminar was held by the Richmond (Va.) Assn. of Life Underwriters and Richmond Bar Assn. George E. Lackey, Massachusetts Mutual, Detroit, co-chairman of the Conference of Lawyers & Life Underwriters, spoke on "Relationship Between the Life Insurance Underwriters and the Practicing Attorney," and H. P. Gravengaard, Diamond Life Bulletins, discussed "Our Responsibility to American Business."

The question period was in charge of Alexander W. Parker of the bar association.

No. Cal. Legislative Dinner

SAN FRANCISCO—Principal speaker at the legislative dinner being given

by the California Assn. of Life Underwriters and jointly sponsored by the local associations in northern California Dec. 6, will be Judge Goodwin J. Knight of Los Angeles, newly elected lieutenant governor of California. Thomas A. Maloney, San Francisco broker and member of the California legislature for more than 20 years, who was reelected, also will speak.

Early reservations are heavy, Gilbert Ball, manager of California-Western States Life, San Francisco, general chairman, reports. Indications are that every northern California member of the 1947 legislature will attend.

Virginia Conference Dec. 6

The Virginia conference of the National Assn. of Life Underwriters will be held at Danville Dec. 6.

Cleveland—Nate Kaufman, general agent at Shelbyville, Ind., for Indianapolis Life, spoke on "Sincerity in

Selling Life Insurance," at the Nov. 21 meeting at the Allerton hotel.

Minneapolis—Paul Dunnannan, Canada Life, life member of the Million Dollar Round Table, spoke on "What to Do When the Guy Says No!"

Rochester, N. Y.—Henry G. Barnhurst, Provident Mutual Life, Syracuse, gave an address on "Life Insurance in Action."

Pittsburgh—John P. Williams, American College, spoke Thursday afternoon on "Atom vs. Adam."

Hazel M. Whitesell, Mutual Benefit Life, is addressing a meeting at Beaver Falls, Nov. 25.

Grand Rapids—H. G. Kenagy, vice-president of Mutual Benefit Life, addressed the luncheon meeting Monday.

"Because the life insurance business has been so ably conducted in the interests of policyowners, life insurance has achieved an increasingly high place in public regard," he said. "Yet that regard is not necessarily related to individual companies or individual agents."

A THREE-FOLD RESPONSIBILITY

Today's career life underwriters are faced with a three-fold responsibility.

1. To bring to as many American homes as possible the benefits of adequate life insurance protection;
2. To cooperate as a part of the institution of life insurance to combat inflationary talk and tendencies;
3. To counsel with all war veterans and urge that they retain their National Service Life insurance.

Upon the execution of this three-fold responsibility today depends, to a great extent, the prestige and increased usefulness of tomorrow's career life underwriters.

Equitable Life of Iowa

Founded 1867

HOME OFFICE

DES MOINES

There's Substantial Money to be made even in a small town—through our General Agent's contract

Attractive General Agency territory open in Missouri, Iowa, Arkansas, Mississippi, Kentucky and Louisiana.

For further information write J. DeWitt Mills, Superintendent of Agents



MUTUAL SAVINGS

MISSOURI'S FIRST WHOLLY MUTUAL LEGAL RESERVE COMPANY
Life Insurance Company

812 Olive Street

Allen May, President

St. Louis 1, Mo.

The services rendered by company managements and by field representatives are neither understood nor properly valued by policyowners. We have done a good job, but we are not getting full credit for it. If we are to combat the tendency on the part of the public to look to government for security we must make the public realize the value of your services, especially the value of the services rendered by field underwriters."

Chicago—The women's division meets Nov. 22 to hear Mrs. Isabelle E. Bellows, Equitable Society, Waukegan; Mrs. Louise Scott Konsberg, Massachusetts Mutual; Laura Githens Smith, Northwestern National; Dorothy Wilson and Janet Hall, Occidental Life.

Evansville, Ind.—Milton Elrod, Jr., Indianapolis, spoke on "Cooperation Between Bankers, Lawyers and Life Insurance Men in Serving the Client Better." He said that even the smallest estates need conservation service and the larger the estate, the more the need.

This was the first joint meeting of bankers, lawyers and insurance men. Orin Pritchard, president of the Indiana association, introduced the speaker.

St. Cloud, Minn.—A three-day drive sponsored by the Minnesota association resulted in reinstatement of \$1½ million service life insurance by veterans in this area. The state association intends to cover the entire state in regional campaigns of this kind.

Dodge City, Kan.—Formation of a C. L. U. class was discussed. Charles Henry, Victory Life, Dodge City, and Justin Fortune, Kansas City Life, Garden City, led the discussion.

Salina, Kan.—At the annual ladies night dinner, Rex Lear spoke on "Association Membership Benefits to the Underwriter" and the film, "The Search for Security," was shown.

Wichita—Judd C. Benson, Union Central, Cincinnati, N. A. L. U. trustee, was the speaker at the Nov. 20 meeting. Wilfrid E. Jones, publication director of the National association, spoke briefly. Both were in Wichita for the Kansas conference Nov. 20-21.

San Antonio—President S. E. McCreless of American Hospital & Life, spoke on "Please Make a New Rut," stating that he saw a sign with these words on an experimental highway which he traveled. Mr. McCreless stated that it is easy for men to permit themselves to get into a rut. A rut has been defined as a grave with both ends knocked out. People today are interested in success, he declared, and opportunities for greater than average success now exist.

San Jose—William H. Dunkak, manager at San Francisco for Acacia Mutual Life, spoke on "Life Insurance, Your License to Spend Money."

Aurora, Ill.—John H. Jamison of the Jamison & Phelps agency of Northwestern Mutual in Chicago spoke on "Prospecting in the Post-War Era."

Boston—President P. B. Hobbs of the National association will speak December 6.

Louisville—P. B. Hobbs, president of the National association, will speak on "Post-War Essentials" at a dinner meeting Nov. 21. Commonwealth Life will be host at a cocktail party preceding the dinner.

Tacoma, Wash.—Medical examiners of Tacoma, were guests of the association.

Dr. J. W. Wear of San Francisco, medical referee of Aetna Life, discussed the aggregate experience of all life companies in evaluating the risks of high blood pressure and overweight in groups of various ages.

Everett, Wash.—Fred McCorkle, secretary, reported on the national and state association meetings and various committee chairmen told of the work they head.

St. Louis—Richard H. Bennett, man-

ager of Reliance Life, has been named state committeeman to succeed Donald O. Cramer, Prudential, who is leaving to take a position in home office.

Cincinnati—P. B. Hobbs, president of the National association, will speak Nov. 22 on "Post-War Essentials."

Doorways to Prospects by Cagan is a gold mine of practical prospecting plans. \$2.00 from THE NATIONAL UNDERWRITER.

LEGAL RESERVE FRATERNALS

Butler Urges License Rule for Fraternal Agents

Commissioner Butler of Texas, speaking at the annual meeting of the Texas Fraternal Congress, urged better relations between fraternal and the Texas department, saying that the most troublesome matter with fraternal insurance is the fact that the department has no control over agency matters.

The legislature has made no provisions for the department to have control over the agents. Some fraternal have requested that agents be licensed and stated that they will be glad to pay the license fee, he said.

Mr. Butler remarked that in the future if a fraternal asks to license its agents, he will do so. It is, however, not mandatory and only comes as a request. "If you realized some of the sins committed by some of the agents who write fraternal insurance, you could see that it reflects on your entire congress. We have found men who have penitentiary records writing fraternal insurance, and we can do nothing about it."

The department has cancelled licenses of agents who violated the agents licensing law while writing for legal reserve companies, he said, adding "they have given us the ha-ha, and stated that they can go to work writing for a fraternal."

The majority of fraternal agents are fine people, he emphasized, but it is always the minority that affects the majority. The innocent have to suffer with the guilty.

Speaking on fraternal company matters, the commissioner stated that their record is good. However, they could offer a wider range of policies, he suggested. Under law, fraternal can write any type except A. & H. without department approval. Mr. Butler declared he would rather have the department approve all policies and give fraternal the right to issue any policy desired, along with legal reserve lines, than not have the privilege of approval.

Such approval would mean much to fraternal members, he said. This program will not be offered to the legislature, but rather will be left to the fraternal for action.

Texas Fraternal Group Meets in San Antonio

The annual meeting of the Texas Fraternal Congress in San Antonio last week elected Mrs. Eula G. Bates, Maccabees, Fort Worth, president; Carl Biebers, Sons of Hermann, San Antonio, first vice-president; G. G. Kerr, Fidelity Life, Terrell, second vice-president; Noble T. Lee, W.O.W., Dallas, third vice-president, and John H. Cullom, W.O.W., Dallas, reelected secretary-treasurer.

T. W. Midkiff, president Woodmen of the World, Denver, spoke on "The Best Investment in the World." He said there are three reasons why men make investments: The hope to quit work and enjoy the later years; avoid dependence, the desire that the family shall not become dependent.

Lon A. Smith, Austin, former railroad commissioner; Mrs. Leta Ashley, Degree of Honor, Fort Worth, and George B. Butler, life insurance commissioner, were other speakers.

The report on delegates showed 15 orders represented by 149 delegates. The annual banquet had Judge Luther M. Bickett as speaker.

The congress closed with a morning session the second day. Mrs. Clara B. Bender, Fidelity Life, president National Fraternal Congress, gave greetings from the national group, and there were addresses by Mrs. Dora Alexander Talley, supreme president of Woodmen Circle, and past president of N.F.C.; and John H. Cullom.

A resolution based on the suggestion of Commissioner Butler that the licensing of fraternal insurance agents be placed under the control of the Texas department was defeated.

Woman's Benefit Officers Reelected

All principal officers of Woman's Benefit of Port Huron, Mich., including Mrs. Bina West Miller, president, were reelected at the supreme convention held in Miami. There was an attendance of over 3,000 members from all parts of the United States and Canada in which the society operates.

A boat trip was given the supreme officers and delegates around the islands by the southern group with Mrs. Pearl H. Croy, state field director, as hostess. A winners' banquet was held in the civic auditorium with 650 winners as guests of the society. This banquet was awarded on a new membership basis. The next night a "queens' ball" was held with 39 states and provinces represented in the grand processional and a standing audience of several thousand persons. Miss Ruth Sable, Detroit, was the national queen and was crowned by Mrs. Miller in a ceremony. Mrs. Ethel Hayford of Michigan, state field director, presented the crown and later led the grand march with Mrs. Ruth Pierce, state field director of Minnesota, the second highest net gain state in the association.

New officers elected are: Mrs. Laura V. Puckett, chaplain, Oklahoma; Mrs. Grace M. Best, sergeant, Connecticut; Mrs. Elizabeth Covell, inner hostess, Honolulu; Mrs. Eva Knudsen captain,

Ohio; Mrs. Lulu Volkmann, color bearer No. 1, Rhode Island; Mrs. Margaret Kaelin, color bearer No. 2, Iowa.

New members of the supreme conference board are: Mrs. N. Vale Henson, Port Huron; Mrs. Mamie Flaherty, Richmond, Va.; Mrs. Lillie Holford, Phoenix, Ariz.

A memorial service was conducted by Mrs. Grace M. Best, state field director of Connecticut and a memorial committee. Installation of officers was conducted by Mrs. Nellie C. V. Hepert, supreme treasurer.

At a field conference following the convention, California was elected for the mid-term meeting in July, 1948. The exact site will be either Los Angeles or Hollywood.

Mrs. Kral Named President of Czech Catholic Union

OMAHA—Mrs. Marie Kral, Chicago, was elected president of Czech Catholic Union at the national convention here. C. J. Hronek, Cleveland, was named vice-president; Anna Veverka, Cleveland, secretary, and Marie Prusa, Chicago, treasurer.

At a banquet, Joseph Votava, U. S. district attorney and Edward Sklenicka, representing Mayor Leeman, spoke. Rev. E. J. Chapuran was toastmaster.

The group plans an intensive membership campaign in the midwest. This was the first convention the group had held here in 30 years.

N. J. Fraternal Congress Annual Meeting in Newark

NEWARK—The annual meeting of the New Jersey Fraternal Congress was held here with Ernest R. Deming of Unity Life & Accident presiding.

Byron Wright, chief assistant actuary of the New Jersey department, spoke on the problems of juvenile insurance; Oscar Kottler, deputy commissioner of Pennsylvania, on a proposed uniform fraternal insurance code, and George Shelly, metropolitan manager of the Maccabees, on selling life insurance in large cities.

Officers elected are: President, Anthony Lecoque, North Bergen; first vice-president, Paul S. Miklosy, Fairlawn; second vice-president, Mrs. Frances L. Mizenko, Perth Amboy; secretary-treasurer, Mrs. Helen Wold, Lyndhurst.

Openings for Agents in Several Good States. Complete portfolio popular policies:

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One of America's
Leading Fraternal
Life Insurance
Societies

AID ASSOCIATION for LUTHERANS
APPLETON, WISCONSIN

Missionary Sales Policy Outdated

(CONTINUED FROM PAGE 3)

the decision had been up to the agency men, they would have thrown the purely missionary type of sales operation out the window about the time that they were restless enough to form the research bureau. The agency men adhere to policies which condone these evils simply because top management has failed to interpret the times.

In order to penetrate and hold those markets where the missionary work had been successfully done, Mr. Arnold enumerated some steps which had been taken by his company. They discovered, first of all, that better pay for the agents would in itself reduce agency overhead sufficiently to offset the increase in pay. It would also leave intact the profits accruing from increased persistency for distribution to policyholders. So a system of payment was devised in which the agent's rate of renewal commission was determined by the relationship or ratio of his renewing business to the amount he originally wrote. This was steeply graded so that the impact was very heavy in the early renewal years, but faded out to an almost non-existent increase over the old commission scale after the fifth renewal year when few policies lapse.

Another field of Northwestern National research led in the direction of agency costs other than commissions or controllable agency expense, Mr. Arnold said.

Aptitude Tests

Albert K. Kurtz, associate professor of psychology of Michigan State College and former L.I.A.M. staff member, said that the recently completed series of aptitude tests for prospective managers and general agents, while not so valid as agents' aptitude tests, will predict the success of a manager about as accurately as the height of the son can be predicted from his father's stature. He said that L.I.A.M. is producing a manual which will make grading of the tests a matter which clerical help can handle in any office. Temporarily, the tests are being graded at L.I.A.M. headquarters.

Mr. Kurtz, who played a prominent part in developing the tests, went into statistical findings which he supplemented with a series of large charts to show how valid the tests were in predicting the success of 117 managers and 65 producing general agents whose original test score and subsequent performances over the past three years have served as the test base.

Mr. Kurtz said that it is desirable to apply the managerial aptitude tests as soon as possible in the career of a likely agent. On the basis of the tests, together with performance and personal appraisal, the man could be promoted to supervisor and moved quickly into a managerial spot with almost complete assurance that he would be successful. He warned, however, that the new material will not supersede personal inquiry. On the contrary, the aptitude tests demand personal executive inquiry and appraisal to work successfully.

He said there will always be surprises and discrepancies in the testing, but generally it can be said that men with the high composite scores will have six to 12 times better chances for success as managers as those with low scores. The same test has proved to be valid for both full time salaried managers and general agents who devote considerable time to personal production.

Other Speakers

Other speakers on the final morning program were Joseph B. Maclean, vice-president and actuary Mutual Life of New York; Laurence S. Morrison, research consultant of L.I.A.M., and Charles J. Zimmerman, acting managing director of L.I.A.M. Their talks have been reported in the previous issue of THE NATIONAL UNDERWRITER with the

exception of some of Mr. Zimmerman's remarks.

Mr. Zimmerman said he realized that in some cases, L.I.A.M. had not exerted the leadership that it should have, but before it could adopt a leading role, it had to catch up with itself. He termed it regrettable that several nationwide committees and activities have been formed in which L.I.A.M.A. received no invitation to participate.

No business which serves so many of the nation's wealth can hope to escape public scrutiny, Mr. Zimmerman continued. Life insurance will remain so long as the public is served and at the agency level lies the greatest opportunity for improving this service, he said. Management has put inadequate emphasis on handling people.

Drawing on his navy experience, Mr. Zimmerman said that two ships could be the same in every detail, but one ship would be a "happy ship" and the other would be an "unhappy ship." In the same way there are happy and unhappy agencies, he said. The difference lies entirely in the skipper of the ship or the manager of the agency.

Primary Managerial Tasks

The primary tasks of the manager today is to rid his agents of unsound work habits; to resell them on service to the people and the community; to establish sound budget control for each agent; to resell him on the future of the business, and to sell him on himself and his company.

Frank L. Barnes, vice-president and agency director of Ohio State Life, and A. L. Dern, vice-president and agency director of Lincoln National, escorted Cecil J. North, vice-president of Metropolitan and the newly elected president of L.I.A.M., to the rostrum where he took over from Wendell F. Hanselman, vice-president Union Central, retiring L.I.A.M.A. president. As Mr. Hanselman handed over the gavel he commented that though the first year of an organization is certainly important, from now on the years were going to be more important. Referring to a previous comment by Mr. Zimmerman that Mr. Hanselman had spent three months of the past year on L.I.A.M.A. business, Mr. North said he felt the way he did when he took out his first life insurance policy and realized he had something he wanted, but knew it was going to be mighty tough to pay the premium.

Parker Presents Gavel

J. G. Parker, managing director of Imperial Life of Canada, retiring member of the L.I.A.M. board, presented a silver plated gavel to Mr. Hanselman on behalf of the board.

Thursday afternoon some 75 agency officers overflowed the conference room which had been set aside for the companies writing A. & H. and ordinary insurance. Open discussion on current problems facing such companies was engaged in by a good proportion of those present. William M. Rothaermel, vice-president of Pacific Mutual and chairman of the A. & H. committee, opened the session, but had to leave to shepherd the training within industry seminar which was held simultaneously. His place was taken by R. H. Belknap, director of agencies Occidental of California.

At the T.W.I. seminar, Channing R. Dooley, director of the T.W.I. foundation, elaborated on a speech he had made at an earlier session of the convention and various officers present told of their experiences with the program. This seminar continued Friday morning.

Offer "Flu" Shots for Free

HARTFORD—Dr. Albert J. Robinson, vice-president and medical director of Connecticut General, announces that the company will give free inoculations against influenza to home office employees who want them. Dr. Robinson said that after consultation with authorities the management believes that the results obtained from the use of a

newly developed influenza vaccine have been sufficiently effective in preventing attacks of this disease to warrant offering it to the staff.

Careful comparative studies by the army medical corps and other groups have shown that the occurrence of influenza is 90% less among those who are inoculated than those who are not.

Seek St. Louis Tax Repeal

ST. LOUIS—A bill calling for the repeal of the city's income tax ordinance been drafted by the city councillor's office at the request of Alderman Jake Sellers, Republican, who says the ¼% tax on the earnings of individuals and net profits of corporations is unworkable and not providing sufficient revenue.

In the meantime Circuit Judge Kirkwood has under advisement the suit of the Carter Carburetor Corp. attacking the validity of the income tax ordinance.

St. Paul Pension Rally Success

(CONTINUED FROM PAGE 1)

tributions irrevocably in order to have the contribution deductible for tax purposes, he remarked.

The employees are not taxed upon the amounts when credited to them but only as they receive the money at retirement or disability (or to beneficiary at death). Since at such times the employee is not on his regular salary basis, the benefits will usually be taxed to the employee in lower income tax brackets.

Invested and Earning

The problem here is to keep all funds invested and earning interest and yet available when needed, without loss, either at disability, death, termination or retirement. Insurance or annuity con-

The company of  successful field men

A Definite Goal AND A Smooth Track

THE GOAL... "Pacific Mutual... a company in which every Agent and every General Agent is an improving individual; selling Life and Disability Insurance purposefully, to fit the needs of his clients; making an adequate living, and representing his business with dignity; a credit to himself, his agency, his company and the institution of Life Insurance."

THE TRACK... A complete training program, developing each successive step in an organized merchandising process.

A complete range of personal coverage to sell.

A complete basic protection package—the "New and Unusual Savings Plan."

*from the Statement of Objectives, co-operative inspiration of Pacific Mutual field and home office.

PACIFIC MUTUAL LIFE INSURANCE COMPANY

HOME OFFICE: LOS ANGELES, CALIFORNIA

LIFE • ACCIDENT & HEALTH • ANNUITIES • GROUP

"NEW AND UNUSUAL SAVINGS PLAN"

\$250 to \$500 single
1000 Rooms—1000 Baths



WHERE YOUR COMFORT COMES FIRST

Here at the Prince George guests enjoy the homey luxury and genuine comforts seldom found in other New York hotels. 1,000 spacious, tastefully furnished rooms, all with bath. Five famous restaurants and a cafeteria. Quiet, yet within 5 minutes of the shopping district. Low rates make the Prince George New York's most outstanding hotel value. Write for booklet NUL.

Single room with bath from \$2.50
Double room with bath from \$4.00

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Charles F. Rogers, Jr., Manager

tracts accomplish the desired results, if provision is made to avoid lapsing the contracts in years when no profits have been earned and hence no contributions are made by the employer.

This can be done when using individual contracts—through the use of part of the sum credited to a given employee to pay a current annual premium and the balance to pay advanced premiums. This plan both provides a cushion against lean years and reduces costs. It increases the benefits for the employee without the necessity of closely following the investments, as would otherwise be necessary. A similar result can be obtained in large cases through the use of group annuity contracts with full refund provisions.

Guaranteed benefits can be assured right from the time the first payments are made on the insurance contracts. Optional methods of payment may be elected just before the benefit payments are to begin and when the needs are best known, or at any earlier date. If preferred, the employee can select the method of payment for the beneficiary.

The program provides a good return to the employee with absolute safety of principal. The insurance contract plan accomplishes much more than an investment fund, providing guaranteed annuities at time of retirement or death. On the other hand, the employer secures a maximum benefit with a minimum expenditure, thanks to the credit allowed in expense deductions for tax purposes.

SEEFURTH'S IDEAS

Nathaniel Seefurth of Seefurth & McGivern, Chicago, declared that perhaps the most satisfactory situation under today's conditions is to achieve future security via social security, plus a company pension, plus an accumulation resulting from the employee's voluntary thrift.

If the primary or only concern of the management is to provide retirement incomes, there is little to be said for the profit sharing method under the rules of the revenue bureau; however, as a vehicle of deferred compensation with substantial benefits to both employers and employees, the average profit sharing plan may be far more effective than the type of pension plan that gives only a life income at retirement, though less attractive than the pension plan with collateral benefits.

The basic theory of the profit sharing plan is the accumulation of contributions for distribution upon termination of employment, whether by retirement, death, resignation or discharge.

The pension plan field is hotly con-

tested and there is a sharp cleavage in point of view. Some believe a pension plan should set up a reserve for each employee covered, which reserve should be applied for his benefit or the benefit of his dependents in the event of his retirement, death or other termination of employment. They believe in giving the employee the maximum benefits available. At the other extreme are those who believe that no part of the reserve should be applied for an employee's benefit, unless and until he lives and works to retirement date.

The idea of the funded retirement plan, when applied to the group of employees who are likely to present a retirement problem, represents progress over the informal pay-as-you-go method. And the plan which gives family security as well as security in the event of loss of health or job, represents further progress. The relatively broad protection of social security has helped to promote this progress. It has been further fostered by the realization that the element of deferred compensation is involved in which the employee should have a vested interest.

G. E. PLAN

Frank B. Cliffe, assistant comptroller of General Electric Co., recalled that a series of recommended changes in the General Electric pension plan were presented to a special pension committee of the directors on the day before its employees went out on the most extensive strike in the company's history. When the pension committee later made its report to the entire board the strike was in full progress, with no clear indication of any early settlement. The question was raised whether it should be made effective, in light of the existing strike and the uncertainty of future relations between employees and management. One director very wisely said, "We should adopt the plan now. We will have employees in need of pension protection long after this strike has become a matter of dim and nearly forgotten history." The plan was adopted by unanimous action and plans for announcing it to employees were developed and carried through on an orderly schedule.

Combined with social security benefits, the General Electric plan provides the long-service employee a gross pension income about half of his pay check. The social security benefits are tax-free, and the pension benefits will be taxed at lower over-all rates than were the wages; spendable income therefore approaches 60% of that to which he has been accustomed.

PERFECTING DETAILS

L. M. Huppeler and R. J. Ardison of Massachusetts Mutual Life gave a val-



L. M. Huppeler

ued exposition of the steps involved in working out the details of a plan. Canned programs are dangerous, and each pension plan should be tailored to the needs of the corporation which is installing it, they said.

The nine basic decisions they listed as:

- Which employees shall be included?
- When shall employees retire?
- On what part of compensation shall the pension be based?
- What formula shall determine the amount of pension?
- Shall withdrawal benefits be allowed if employment is terminated?
- Shall death benefits be payable to beneficiaries of deceased participants?
- Who shall make contributions to the plan?
- Administrative decisions

D. N. Warters, executive vice-president of Bankers Life of Des Moines, gave a talk on using permanent forms of insurance on the group basis.

From the employer's standpoint group permanent, he said, gives a substantially guaranteed future cost as far as existing employees are concerned; if the number of employees does not increase, the total premium outlay will generally be less in future years, because as present older employees retire they

will be replaced by beginners at young ages; the liberal death benefits help materially in winning employee appreciation and the additional cost is relatively low in a combination contract; substantial contributions from employees, if desired, are easier to get because of the more complete protection resulting from liberal death and withdrawal benefits, as well as group underwriting; the plan guarantees availability for identical coverages for those joining the plan in the future and for increases to be given to existing members on account of future increases in salary.

Also, substantial withdrawal credits are returned to the employer even where the membership of an employee is terminated within a year, or they can be vested in the employee. It solves many legal complications which arise under the fair labor standards act, social security tax laws, and income tax laws where cash from an employer's contribution to the plan is available to an employee on termination of employment prior to retirement, since under this contract it is possible to provide that such values be given in the form of paid-up insurance not having a cash value.

Flexibility and economy of group administration is made available. A contract is tailored to fit the needs of the case.

Group permanent plans are particularly suited to situations where it is desired to offer a complete benefit program to employees; to situations where the employer wishes very substantial guarantees as to possible future costs; to situations where the employer is interested in level premiums with level or reducing costs over future years. Simple enrollment procedures make the plan particularly adaptable to large groups of employees and group underwriting takes care of all.

Study Selection Problems That Are War Aftermath at H.O.L.U. Meeting

(CONTINUED FROM PAGE 1)

The reinsurer must scrupulously avoid direct or indirect intervention or interference with this relationship. In attempting to meet competition, underwriters should not abandon their own selection standards on business falling within their own retention limits and underwriting classifications, he said.

In the final analysis, reinsurance treaties are looked upon as gentlemen's agreements. From a mortality standpoint, the success of the treaty is determined by the attitude and ability of the people administering it in their daily interchange of business. In the case of fully automatic reinsurance, the reinsurer is fully in the hands of the original company. The success or failure of such a treaty mortality-wise is in the hands of the original company.

It is the substantial volume of average-size, well-selected standard and sub-standard business in the complex reinsurance picture, yielding a satisfactory mortality profit, that keeps the reinsurer in business and not just savings from lower expense ratios, he declared, although these are helpful in paying the cost of higher mortality arising from higher-than-average size policies, jumbo lines, limited retention standard and sub-standard, and that class in which the reinsurer adjusts its underwriting program to follow the action of the original company on borderline cases.

Reinsurance is expected to produce a higher mortality than direct business even though the same standards of selection are applied as to direct business and the facultative portion of reinsurance. In recent years Connecticut General's reinsurance mortality has averaged only five points higher than the direct business as measured roughly by the American Experience table. Mortality runs in cycles and is markedly influenced by general economic conditions, the upward swings in reinsurance mortality being likely to be more violent than direct writing companies' experience. By the very nature of its

distribution and growing competition, future mortality of reinsurers is likely to follow a pattern of appreciably higher mortality than the direct writing companies' experience.

The growing tendency of companies to attempt to handle target cases of unlimited size or mortality irrespective of their usual limits is an understandable one from an agency viewpoint but detrimental to a sound underwriting program, Dr. Robinson asserted.

Connecticut General's entire standard reinsurance experience up to 1940, measured by recent issues experience, showed a ratio of actual to expected of 123% during the first five policy years and 121% thereafter, indicating an increase with duration of policy. The relationship between actual and expected on standard business should be about the same, regardless of duration. A substantial part of the company's business

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is rated because of degenerative diseases and the rate of mortality increases with duration and severity of these impairments. This is unimportant provided the mortality ratings applied initially cover the cost of extra mortality for all ages and durations across the board.

Maintaining Proper Balance

Reinsurers, like direct writers, have their basic differences and own philosophy. Connecticut General believes the original company should retain all it feels it can safely retain, either standard or substandard, depending upon its size and other factors. While the reinsurance of ordinary policies in force at the end of 1944 was about 2% of the total ordinary in force in the reporting companies, this figure might rise to 5% or 6% of a company's new issue in any one year and still not be considered an unreasonable amount for cession. If the figure should reach perhaps 12% or 15% of new issue, management of the original company should investigate practices which result in such a large volume and future profit going to the reinsurer.

There is no good reason why the original company should not retain some portion of all business falling within its usual retention limits, whether standard or substandard. The question naturally arises why the original company is reluctant to classify and retain such business. If it is because it has found that reinsurers may accept it at a lower rating or even standard, it would explain the increase in the volume of this type of reinsurance because under such circumstances, the original company is obliged either to modify its own standards of selection or reinsure the full amount. This class can be expected to show higher than average mortality.

The original company, with its firsthand knowledge of the source of business, caliber of agent, and ability of examiner, is in the best possible position to do the primary underwriting, he declared.

Mr. Kalmbach contended it can be shown mathematically that the probable deviation from the expected decreases with an increase in the number under observation and suggests that a direct writing company might hesitate to accept applications on lives involving unusual impairments. He feels that a reinsurer can accept such risks with the knowledge that a large exposure can be developed with resulting stability in the ratios of actual to expected mortality.

Dr. Robinson said he agreed with this statement in connection with business calling for mortality ratings in excess of 200%. This represents only 2½% of the total issue of the average direct writing company and of this amount, approximately 50% to 60% is placed. Reinsurers can render a service in salvaging some of this business on which the agent has spent time and the original company has incurred the usual underwriting expenses.

Removal of Ratings

However, on regular substandard, he said he saw no reason why the original company should not accept some part of even the so-called unusual type of impairment if such risks are being accepted by other companies at ratings that fall within the original company's underwriting classifications. There is ample statistical data for guidance in underwriting many common impairments. Medico-actuarial and other similar studies, however, have not covered everything in the medical dictionary or in the field of unusual occupations, foreign travel, habits, morals, finances and speculation. Good judgment, analogy, and underwriting experience enter into the underwriting of the unusual cases and it doesn't follow that reinsurers are in a preferred position to underwrite the business simply because the volume received gives a somewhat greater exposure.

A certain percentage of substandard ratings will improve and become eligible for a lower rating or even for standard insurance as a practical matter and he

Mutual Life People Give Minstrel Show



More than 1,200 attended the minstrel show given at New York by 55 members of the Mutual Life Assn., organization of employees of Mutual Life. "A Minstrel Song Parade" was the title.

Al Cerunda directed the show, which featured actuaries, file clerks and stenographers as purveyors of songs, dances and witty sayings.

The picture here shown is that of a feature entitled "Miss Kookamonga '09."

said he could not understand the concern of Mr. Kalmbach about the removal of ratings for those who qualify.

One of the first official acts of D. S. Craig, third vice-president of Metropolitan, the new H.O.L.U. president, was the appointment of J. C. Archibald, underwriting vice-president Bankers Life of Iowa, as program chairman for the 1947 meeting.

Four new company applicants were admitted — North American Accident, Liberty Life, S. C., Scranton Life and Security Mutual.

R. C. McCaukie, assistant actuary Equitable Life of Iowa, presented the nominating committee report.

W. Howard Cox, president of Union Central, which was host to the convention, spoke a few words of welcome. He is general chairman of the Cincinnati Community Chest campaign and was busily engaged in getting the latter stages of that campaign into high gear. Union Central gave a cocktail party and dinner for the 225 members and guests present.

Memorial for Biltcliffe

J. B. Mabon, Sun Life of Canada, read the memorial for the late D. E. Biltcliffe, late supervisor of the underwriting department of Sun Life.

L. M. Robothan, secretary of the life department of Travelers, was elected an honorary member.

C. F. Barney, vice-president American United Life, was chairman of the case clinic. W. O. Menge, vice-president Lincoln National, presided at the informal discussion of current problems.

INDUSTRIAL SECTION

M. D. Wheeler, Monumental Life, was elected chairman of the H.O.L.U. industrial session succeeding E. L. Stritch, vice-president National Life & Accident,

at a meeting well attended by representatives of the combination companies. Four members gave set talks, followed by a general discussion. The speakers were J. J. Diersing, manager weekly premium department Western & Southern; R. R. MacKenzie, vice-president American Service Bureau; O. F. Westbrook, manager industrial underwriting division National Life & Accident, and J. G. Bruce, vice-president and secretary Colonial Life.

The weekly premium companies experience peak loads on certain days of the week, particularly on Monday, and it is difficult to issue business promptly. Mr. Diersing said originally Western & Southern had a separate industrial application department. Transfers, lapses, renewals and new business were handled by separate departments. In order to eliminate the peak load days, it was found desirable to merge all of these functions into one department and give employees training in all aspects of the work so that they could be shifted from one type of work to another when occasion demanded. The week is closed on Monday, the week starting with the applications received on Tuesday, these being sent to the field Wednesday. Every clerk checks new applications and there is a daily check on them. Cancellations are handled before applications on Monday in order that they can be given to the tabulating department so the week can be closed with dispatch.

Compare the Signatures

It has been found desirable, he said, to compare application signatures with those recorded previously. Frequently discrepancies are found. Western & Southern writes the register from punch cards, but the policies are typed currently. Mr. Stritch said 45% of the applications were received on Monday by National Life & Accident.

Independent inspection of industrial applications had paid their way in a number of groups, Mr. MacKenzie declared. These include occupational classifications such as barbers, painters and bartenders; female applicants without visible means of support; irregular beneficiaries; agents' business and high loss ratio districts; overweight and underweight cases; non-residents and detached

territories; larger amounts, perhaps \$500 and up; cases having a previous unfavorable record; cases with admitted medical history; question of age; verification of height and weight; males having questionable habits, and suspicious looking cases.

He suggested uniformity would be desirable with a standard form of industrial inspection report covering the following: identification, beneficiary, family situation and personal habits; occupational and income status, and health history and environment.

Industrial, he said, is more widely, but less thoughtfully distributed than most ordinary. It is significant that of the 15 states having the highest mortality, 10 had the highest draft rejection rate; nine led among those having the most inadequate sewage disposal; seven led in infant deaths; 11 led in infectious diseases and nine were in the group having lowest per capita income. He pointed out, however, that Illinois, which ranked 20th in mortality, 9th in sanitation and 5th in draft acceptances, had two districts in Chicago where these unfavorable factors were high.

Undesirable Areas

Fire insurance companies appeared to see their underwriting problems more clearly in the undesirable underwriting areas, he stated.

Underwriting of infantile weekly premium insurance usually requires simply that the infant be alive and have a birthday, Mr. Westbrook asserted. The infant does have associates and a family history and the company must depend upon the agent for the information. Illegitimate children and those in charitable institutions are not accepted for insurance. Children born prematurely must be at least 60 days old. Evidence of good health is required in the case of multiple births. If under six months old, weight of child at birth and on date of application are required. Better persistency is experienced on infantile industrial than on other industrial business. On a \$1,000 life paid up at 75 age one next birthday, benefit is limited to \$72 the first three months, \$120 the first year, and the full amount at age 5.

The agent who writes the business is relied upon as the company's first line of defense in its inspection system, Mr. Bruce stated. An assistant manager is required to make an inspection for a minimum of 20% of the non-medical weekly premium applications, both new business and revivals, written by his agents in service three months or longer. When the writing agent has been in service less than three months, 100% inspection of non-medical is required.

Inspection Report

Five questions on the back of the industrial application constitute the inspection report: Does applicant appear to be a satisfactory risk, physically, mentally, environmentally? Did applicant sign the application? Who will pay premiums? Inspection at home, place of business, or elsewhere? Are all rejections, postponements and insurance in force listed in application? In practice, the assistant can't inspect 20% of applications written and a special form is prepared so that the manager may control the number inspected.

Colonial Life maintains a small force of home office inspectors who regularly sample the business after the policies have been placed and report their findings to the home office. An effort is made to have each branch office inspected once every three months. Inspectors look into the reason for lapses and cash surrenders.

The inspector summarizes what he has found in each office and the information is analyzed by the medical director, who then gives his criticism and instructions to the branch to bring its performance up to company standards.

A large percentage of the company's industrial business is written non-medical and home office underwriters decide whether commercial inspection is required. Credit reports are ordered for

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waiters and waitresses where liquor is served and in other cases where signals indicate need for caution.

Colonial Life maintains a combined M.I.B. and company index and about 14% of weekly premium applications in this combined file are looked up when the age of insured is 40-49 and the weekly premium is 50 cents or more; where the insured is 50 or more and the weekly premium is 25 cents or more and where the amount applied for exceeds \$500.

The average cost of inspection was found to be \$1.348 for both ordinary and industrial, little difference in cost being found between them. Cost by inspector ranged from \$1.125 to \$1.72. The higher cost represented an inspector who did considerable traveling away from the home office.

The following briefly summarizes the discussion topics:

Veteran applicants receiving a gratuity who have not yet taken up a peace time occupation and those continuing their education under the government program are generally accepted for industrial. Institutions and churches are rarely accepted if ever as beneficiaries of industrial policies. Some companies decline to accept business in undesirable areas, such as red light districts, but underwriting of such policies is difficult. One company watches street numbers closely. A few companies have family income and insurance distribution requirements. More attention will have to be paid perhaps to these requirements in the future. One company maintains a file for each agent and underwriting irregularities are noted there. Little attention is paid to minor irregularities. If important, they are investigated. The file is reviewed when the agent is considered for promotion.

Much interest was taken in that portion of the presidential address of Pearce Shepherd in which he pointed out that from a company earnings standpoint there is no advantage in younger lives.

Mr. Shepherd defined the goal of

the underwriter as being to approve as many applications as possible, as promptly as possible and as economically as possible and still show a satisfactory mortality.

Basis for Healthy Growth

A good volume of new business at adequate rates always makes for healthy growth, he declared. It makes little difference whether the business comes in at the younger or older ages so far as the factor of mortality is concerned. Although business secured at the younger ages may be with the company for a longer time, the fact that the mortality rate is low at the younger ages does not necessarily mean that it is any more attractive from the standpoint of earnings than business at the older ages. As a matter of fact, mortality at the younger ages is now so low that further improvement in absolute amounts is almost impossible. On the other hand, the attention devoted to illnesses and impairments of the older people indicates that an improving mortality can be anticipated at those ages and even a relatively slight improvement percentage-wise means a large improvement in dollars and cents.

Howard Goodwin Speaks

The underwriting department can be a positive and powerful influence in a company's development by building morale through underwriting and through intelligent cooperation with the agents, according to Howard Goodwin, vice-president of Phoenix Mutual Life.

Essential is the education of agents in the selection of risks to that extent and degree which will enable them to develop necessary information where-with to hasten action on their applications. This will permit intelligent assistance on their part in clearing business which can be cleared.

In competitive underwriting the home office underwriter has the opportunity of exercising his ingenuity, imagination, and skill in finding ways and means of clearing difficult cases which prove to

be insurable if the right avenues are followed. The underwriter can well enjoy the thrill of success when he thus clears a difficult case. That is excellent morale building.

Group conferences held in agencies by representatives of the underwriting department present excellent opportunities to review the problems in the individual agencies and to exchange information which will help to clarify the thinking of everybody. These conferences enable the home office representatives to present the latest underwriting developments and if changes in practice of selection are imminent, full discussion will help agency and home office alike.

Conferences between representatives of the agency and underwriting departments on the selection of agents are worthwhile.

Need Agency-Mindedness

R. F. Tull, vice-president in charge of underwriting of Fidelity Mutual, in his comments on Mr. Goodwin's paper, remarked that agency-mindedness in the underwriting department is of utmost importance in maintaining new business.

Mr. Tull said the agent has a right to expect prompt and understanding service from his underwriting department. Even if a case is to be rejected, the agent should know immediately so that he may get going on a good one.

At the same time, this news should be written to him in such a manner that he will understand and appreciate the reason for rejection. Sometimes an agent has already spent an anticipated commission. A careless letter saying that the company had to discard a paid case may throw him into a tailspin, Mr. Tull asserted.



R. F. Tull

N. Y. State Assn. Hits Bank Moves to Seek \$7,500 Top

(CONTINUED FROM PAGE 1)

founded in both methods of operation and supervision, such as have been developed over the years in the conduct of the life insurance business by the companies and the New York department.

"For the banks to contend that they are subject to the same requirements as regular life insurance companies is untrue."

For example, there are \$61 million of life insurance in force through 34 issuing banks, yet there is no report available to the public comparable to that filed by every life company. Furthermore, agents of the companies are tested, licensed, and come under insurance law. Thus, from a life company the public receives the services of an agent who is accountable for any misdoings, such as twisting a policy for which there is a penalty provided, or for making misleading or false statements or otherwise failing to meet the requirements established by law in the policyholders' interest.

ADVERTISEMENTS HIT

Instances of misleading statements in advertisements, the report states, although largely corrected, should they arise again probably would not come under the statutory controls found wise for life companies. Two phrases which have become almost slogans of savings bank life insurance, "Low cost life insurance," and "No agent will call" give the impression, first, that the same or similar protection and services are available in savings bank insurance as in that issued by companies and, second, that the equivalent of the services of the agent is available at the bank, that hav-

ing an agent call is an unwelcome intrusion.

If the banks wish to be fully in the life insurance business the association makes no objection so long as they form a company as required by the insurance law. If the system is under the established insurance law, then the matter of limit of the amount of life insurance that can be written on a single life, or whether the sales are made with or without agents, "becomes no concern of ours," says the association.

Closer Liaison Sought

Other matters taken up at the meeting of the delegates were closer liaison between the state and local associations, particularly in matters of maintaining contacts with legislators, of discovering and grooming leaders in local associations for eventual leadership in the state group, of exchanging ideas on programs for meetings, and the development of membership. The possibility of developing local associations in areas not now covered was discussed, and Clancy D. Connell, general agent Provident Mutual, New York City, accepted the chairmanship of a committee whose work will be to extend the association system to make it available to all active producers in the state.

Ernest H. Perkins, association president and Provident Mutual general agent at Albany, presided and reported on his visits to eight local associations to seek out possible new leaders and to confer on organization problems.

Frank H. Wenner, general agent for Connecticut Mutual at Utica, reported for the advisory board which meets with the insurance department, saying that deputy superintendent Carl Typermass desired legislation requiring an exami-

nation to relicense agents after a three year lapse. It was voted to support such a requirement.

Talking at luncheon the first day, David B. Flugelman of Northwestern Mutual in New York City emphasized the advantage to each man in the business of helping to raise the standards of the insurance business as a whole. "It is a good agent is before me on a case," he said, "I have a prospect who is sold on insurance already; if a poor man, there is a great deal of resistance to break down."

At the close of the meeting, Julian S. Myrick, second vice-president of Mutual Life, who has never missed a state meeting in 27 years, spoke briefly.

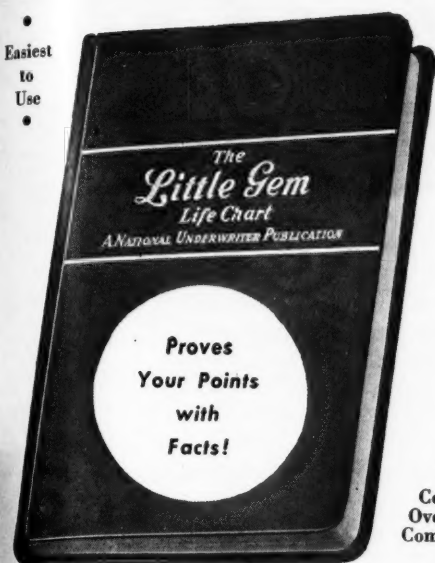
Spencer L. McCarty, of Albany, executive secretary, called for greater use of the speakers bureau and suggested ways in which the local associations could build a reputation as a good place to speak. It doesn't take money, he said, only time and forethought to see that proper publicity is given, that the speaker is met at the train, that his hotel reservation is all set and that such small things as ventilation and a public address system are taken care of at meetings.

Opens Perth Amboy Unit

Prudential has opened a district office at Perth Amboy, N. J., replacing the detached branch of the New Brunswick district office.

W. H. Cameron, an inspector on the home office staff, has been appointed district manager. He joined Prudential in 1928 at Elizabeth. He became assistant manager and in 1938 was transferred to the home office as inspector.

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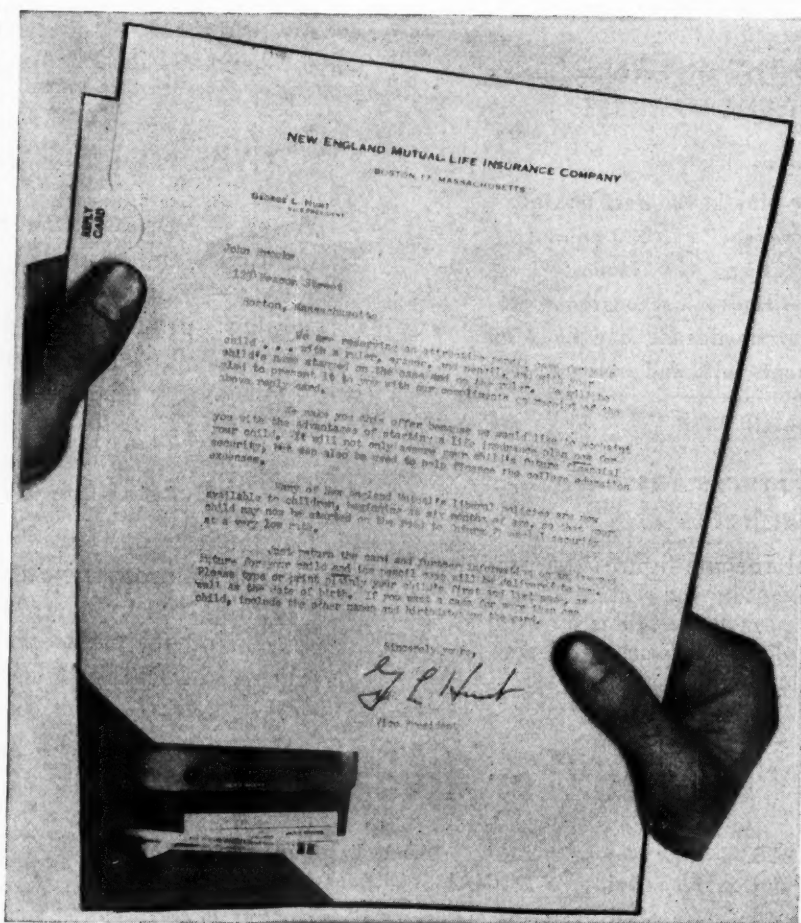
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